

M.Sc. Thesis in Business & Management
Stockholm School of Economics

Scaling With Purpose: Exploring the Dynamics of Corporate Purpose Implementation

A Single Case Study on the Role of Organizational Growth in
Corporate Purpose Implementation at a Startup When Scaling

Ebba Berbres (23771)

Nadine Kranck (24011)

Supervisor: Tommy Borglund

Fall 2022

Abstract

Corporate Purpose has emerged as an evident management trend of the 2020s. Nevertheless, the concept and its implementation in practice are still characterized by much intangibility and ambiguity. By applying a temporal perspective, the authors aim to address a newly identified research gap situated at the intersection of corporate purpose implementation, entrepreneurship, and organizational growth. More specifically, this single case study aims to explore the employee perception of corporate purpose implementation in a scaling startup. Empirics reveal how employees' overall perception of purpose implementation has weakened with organizational growth. The weakened perception is closely related to three main contextual growth factors: increased communication, more diverse recruitment, and increased hierarchies and their influence on the increasing imbalance in employees' knowledge, internalization, and contribution towards the purpose. By investigating purpose implementation in a new empirical setting and from a temporal perspective, empirical findings thus reveal previously unexplored relationships between purpose implementation, organizational growth, and other cross-dimensional dynamics. In addition to these theoretical contributions, the study illustrates the importance of continuously measuring purpose implementation strength and provides relevant tools and practical contributions for firms that wish to remain purpose-driven with growth.

Keywords: corporate purpose; corporate purpose implementation; purpose knowledge; purpose internalization; purpose contribution; organizational growth; startup; startup scaling

Acknowledgements

When embarking upon the thesis writing journey, we wanted to explore the buzzword purpose and what it means for business. We want to thank the representatives at NorthStar for allowing us to do a case study with your interesting company and for making this thesis experience truly memorable and insightful. Thank you to our 21 interview participants for your helpful cooperation and for your time and insights shared. Our greatest appreciation also goes to our two supervisors at NorthStar, who contributed with invaluable perspectives and positive mindsets. We further want to thank our supervisor at the Stockholm School of Economics, Tommy Borglund, for the input and guidance throughout the thesis process -the feedback sessions held on a bimonthly basis were greatly appreciated. Finally, thank you to all friends and family who agreed to read and provide feedback on a thesis where the word “purpose” is mentioned almost 800 times and for providing interesting perspectives and discussions on the matter.

Five years at the Stockholm School of Economics have now come to an end, and we look forward to the future with mixed feelings. With some melancholy as we leave this school behind, but simultaneously with reassurance and excitement for what is still to come as we turn this chapter to find our own purpose in life.

Thank you!

Ebba & Nadine

1. Introduction	1
1.1. Background and Problematization	1
1.2. Purpose and Expected Contribution	3
1.3. Research Question	3
1.4. Delimitations	4
2. Theory	5
2.1. Literature Review	5
2.1.1. Corporate Purpose Implementation	5
2.1.1.1. Emergence and Conceptualization of Corporate Purpose	5
2.1.1.2. Corporate Purpose Implementation	8
2.1.2. Entrepreneurship and Organizational Growth	10
2.1.2.1. Sustainable Entrepreneurship	10
2.1.2.2. Entrepreneurial Growth	11
2.1.2.3. Entrepreneurial Recruitment	12
2.1.2.4. Entrepreneurial Leadership and Purpose	12
2.1.3. Research Gap	13
2.1.3.1. Corporate Purpose Implementation	13
2.1.3.2. Corporate Purpose, Entrepreneurship, and Organizational Growth	14
2.1.3.3. Summarizing the Research Gap	15
2.2. Theoretical Framework	16
3. Research Design	19
3.1. Scientific Research Approach	19
3.1.1. Methodological Fit	19
3.1.2. Research Design	20
3.1.3. Research Case	21
3.2. Scientific Research Process	23
3.2.1. Preparatory Work	24
3.2.2. Finalizing the Research Question	24
3.2.3. Main Study: In-Depth Interviews	25
3.2.3.1. Interview Sample	25
3.2.3.2. Interview Design	25
3.2.3.3. Data Processing	26
3.3. Quality of the Study	28
3.3.1. Quality Considerations	28
3.3.1.1. Credibility	28
3.3.1.2. Transferability	28
3.3.1.3. Dependability	28
3.3.1.4. Confirmability	29
3.3.2. Ethical Considerations	29
4. Empirical Results	30

4.1. The Case Company: NorthStar	30
4.2. NorthStar's Corporate Purpose Definition	30
4.3. Employee Perception of Corporate Purpose	31
4.3.1. Purpose Knowledge	31
4.3.2. Purpose Internalization	31
4.3.3. Purpose Contribution	33
4.4. Employee Perception of Organizational Growth	34
4.4.1. Increased Communication	35
4.4.2. More Diverse Recruitment	37
4.4.3. Increased Hierarchies	39
4.5. Summary of Empirics	43
5. Analysis	46
5.1. Identification of Main Contextual Growth Factors	46
5.2. Dimensions of Corporate Purpose Implementation	47
5.2.1. Purpose Knowledge: The Role of Increased Communication	47
5.2.2. Purpose Internalization: The Role of More Diverse Recruitment	50
5.2.3. Purpose Contribution: The Role of Increased Hierarchies	53
5.3. Interconnectedness and Cross-Dimensional Relationships	56
5.3.1. Interconnectedness Between Purpose Implementation and Growth	56
5.3.2. Cross-Dimensional Relationships	56
5.4. Overall Purpose Implementation and Organizational Growth	58
5.5. Summary of Analysis	59
6. Conclusion and Discussion	61
6.1. Conclusion	61
6.2. Adapted Theoretical Framework	62
6.3. Theoretical and Empirical Contributions	63
6.4. Practical and Managerial Implications	64
6.5. Limitations of the Study	65
6.6. Future Research	66
7. Reference List	69
8. Appendices	76
8.1. Appendix 1: Goal and Duty-Based Perspectives of Purpose	76
8.2. Appendix 2: Preparatory Interview Guide	77
8.3. Appendix 3: Interview Guide, Main Study	78
8.4. Appendix 4: Overview of Preparatory Interview Subjects	80
8.5. Appendix 5: Overview of Interview Subjects, Main Study	81
8.6. Appendix 6: Overview of Empirics	82

Definitions of Core Terms Used

Term	Definition Used in This Study
Corporate Purpose	<i>“Purpose in the for-profit firm captures the essence of an organization’s existence by explaining what value it seeks to create for its stakeholders. In doing so, purpose provides a clear definition of the firm’s intent, creates the ability for stakeholders to identify with, and be inspired by, the firm’s mission, vision, and values, and establishes actionable pathways and an aspirational outcome for the firm’s actions.”</i> (George et al., 2021, p.7).
Duty-Based Purpose	<i>“Duty-based purpose explicitly incorporates ethical and/or moral positions”</i> (George et al., 2021, p.5).
Goal-Based Purpose	<i>“[Goal-based purpose] can be understood as an organizational objective defined and chosen by the firm itself without necessarily recognizing the wider role of corporations in society as moral actors”</i> (George et al., 2021, p.3).
Purpose-driven Company	Purpose-drivenness is achieved through successful implementation of purpose, i.e., synonymous with strong purpose implementation (Lleo et al., 2021; George et al., 2021).
Purpose Implementation	<i>“The purpose must be made known to everyone, it must motivate and excite everyone, and it must be a concrete part of daily life for the whole organization.”</i> (Lleo et al., 2021, p.5), i.e., incorporating the three purpose dimensions.
Purpose Dimensions	The three dimensions that constitute corporate purpose implementation are i) Purpose Knowledge, ii) Purpose Internalization, and iii) Purpose Contribution (Lleo et al., 2021).
Purpose Knowledge	<i>“The purpose must be made known to everyone”</i> (Lleo et al., 2021, p.5).
Purpose Internalization	<i>“[The purpose] must motivate and excite everyone”</i> (Lleo et al., 2021, p.5).
Purpose Contribution	<i>“[The purpose] must be a concrete part of daily life for the whole organization”</i> (Lleo et al., 2021, p.5)
Contextual Growth Factors	The main empirical themes that have emerged over time in association with organizational growth and the employee perception of purpose implementation.
Organizational Growth	Organizational growth refers to growth mainly in terms of an increase in total employee count. Used synonymously with Scaling.
Scaling	Scaling refers to growth mainly in terms of an increase in total employee count. Used synonymously with Organizational Growth.
Scaling Startup	In this study, the term relates to the period after Year X in NorthStar’s history and mainly refers to growth in terms of an increase in total employee count.
Startup	Most commonly defined based on firm age (Zaech, Baldegger, 2017). In this study, the term refers to the first years of NorthStar’s history, i.e., up to and including Year X.

1. Introduction

1.1. Background and Problematization

“I think that many people have been attracted to the fact that we are fighting the good fight in a sense and that we actually are a really purpose-driven company” -Case Company Employee

In 2018, Larry Fink, the CEO of the world’s largest institutional investor, BlackRock, stated, “Without a sense of purpose, no company, either public or private, can achieve its full potential” (Horst, 2018), thereby positioning corporate purpose at the very top of the business agenda. One year later, the Business Roundtable organization, representing the largest companies in the United States, released an updated version of its Statement on the Purpose of a Corporation to include a broader perspective and commitment toward all business stakeholders (Gelles, Yaffe-Bellany, 2019). Most recently, the concept of corporate purpose made global headlines as the founder of Patagonia announced that the company’s ownership would be relinquished to a trust to better combat climate change, explaining the controversial move as “going purpose” (Chouinard, 2022).

Being positioned at the heart of discussions on the interdependence of businesses, organizations, and society, the public conversation about corporate purpose saw a fivefold increase between 1995 and 2014 (Ernst & Young, Oxford University, 2016). By suggesting a way for businesses to maximize value beyond profits (van Ingen et al., 2021), purpose has further been highlighted as the new path to sustainable development that previous studies have called for (Lleo et al., 2021). Alongside growing evidence pointing towards a clear business case for adopting a purpose-driven approach, highlighting purpose in business has emerged as an evident management trend of the 2020s (Peshawaria, 2021). Despite the dramatic increase in attention from both practitioners and scholars in recent years, the corporate purpose field has seen little empirical and theoretical progress and is thus considered to be a highly ambiguous phenomenon (Hollensbe et al., 2014; Gartenberg, Prat & Serafeim, 2019; van Tuin et al., 2020; van Ingen et al., 2021). Although corporate purpose has the potential to bring value to both society and business, the continued ambiguity associated with the concept has raised important questions regarding what characterizes a

solid purpose and how to implement it in practice (George et al., 2021). Consequently, an extensive review of the purpose field reveals an urgent call for further research on the implementation of purpose to make the ambiguous and intangible concept of purpose more tangible in an organizational setting (ibid.).

To the best of our knowledge, no research studies have explored how purpose implementation evolves from a temporal perspective (e.g., George et al., 2021). Thus, by applying a temporal perspective, this study aims to shed light on new underlying dynamics influencing employee perception of purpose implementation in a scaling startup related to organizational growth. Moreover, previous research has found that young firms demonstrate a stronger sense of purpose than larger, more established firms (Gartenberg, Prat & Serafeim, 2019). Despite purpose's undeniably critical role in startups (Rode, Vallaster, 2005), this context makes up a largely unexplored area within the purpose field. Instead, purpose researchers have primarily focused on how less purpose-driven businesses can strengthen or reinvent their purpose, targeted at firms of any particular maturity or size (e.g., George et al., 2021).

In summary, the authors wish to challenge the prevailing scholarly approach to purpose implementation as a static concept (e.g., George et al., 2021) by exploring the phenomena from a temporal perspective. Situated in an entrepreneurial context characterized by both strong implementation of purpose and rapid growth, this single case study aims to improve understanding of corporate purpose implementation by exploring its relationship with organizational growth.

1.2. Purpose and Expected Contribution

“The Purpose of Purpose is Purpose”

Despite the growing interest from scholars and practitioners, corporate purpose is considered a nascent research field that requires further scholarly attention (Hollensbe et al., 2014; Gartenberg, Prat & Serafeim, 2019). Several researchers have attributed the insufficient theoretical and empirical progress to the lack of measurement technologies to systematically evaluate purpose across firms and over time (Hollensbe et al., 2014; Gartenberg, Prat & Serafeim, 2019; Lleo et al., 2021). In response to this call, the authors aim to make important theoretical, empirical, and practical contributions. First, by introducing a novel theoretical framework and analyzing purpose implementation from a temporal perspective, the authors aim to enhance the understanding of the purpose concept and explore its relationship with organizational growth over time from the perception of employees. Second, by being situated in an entrepreneurial context characterized by both strong implementation of purpose and rapid growth, this single case study aims to contribute to the identified research gap with key insights on purpose implementation in a new empirical context. Third, by illustrating the importance of measuring purpose implementation over time and providing relevant tools and key takeaways for scaling startups, the study aims to contribute with practical insights for firms that wish to remain purpose-driven with growth.

1.3. Research Question

Based on the identified research gap, this study aims to contribute both theoretical and empirical insight into the corporate purpose field. By adopting a temporal perspective to purpose implementation and expanding current insights about entrepreneurial growth to the purpose field, this study aims to investigate the role of organizational growth in purpose implementation at a scaling startup from the perspective of employees. In line with these objectives, the authors propose the following research question:

What is the role of organizational growth in the employee perception of corporate purpose implementation at a startup when scaling?

1.4. Delimitations

To answer the identified research question, the authors apply certain delimitations. This study investigates the corporate purpose in depth at one Swedish startup in a high-growth setting. Moreover, this single case study aims to capture the subjective view on corporate purpose implementation from an employee perspective and how this view might have evolved over time as the organization has grown. Therefore, the 21 interviewees are selected based on several criteria to capture diverse perspectives and reflections among employees, with tenure as a key determinant. Furthermore, by limiting the study to explore the implementation of purpose from a temporal perspective, the study will neither take a stance on the appropriateness of the case company's corporate purpose definition nor make an in-depth evaluation of its degree of purpose-drivenness.

2. Theory

2.1. Literature Review

The following section gives an overview of current literature on corporate purpose and its implementation in a wider context of organizational theory and related topics. In line with the focus of this study and the nascent character of the purpose field, the authors further expand previous key findings on entrepreneurial growth to the field of purpose implementation. Therefore, relevant entrepreneurship research on startup scaling and its connection to purpose implementation on an organizational and employee level is included.

2.1.1. Corporate Purpose Implementation

2.1.1.1. Emergence and Conceptualization of Corporate Purpose

The broader concept of purpose is traced to a broad range of research fields, including legal studies, history, political science, philosophy, and management (George et al., 2021). This paper investigates the concept of Corporate Purpose, hereby used interchangeably with Purpose. The purpose concept is also closely related to a broad range of topics, including individual purpose, role purpose, organizational purpose, and purpose-driven leadership (Zu, 2019). Given the broadness of the term and its close connection to other fields, it is crucial to understand the concept and how it relates to different levels of analysis, including the organizational, leadership, and individual employee perspective, which is discussed in the following literature review.

Close to three decades ago, Bartlett & Ghoshal (1994) called for “*scholars to consider purpose as the essential precursor to effective strategic management*” (Gartenberg, Prat & Serafeim, 2019, p.2). In their view, top management’s main role was to ensure a common sense of purpose rather than only setting the strategy of the business (ibid.). These processes ultimately pinnacle in the concept of purpose (ibid.). Since these purpose articles were published, the public conversation about purpose has increased fivefold (Ernst & Young, Oxford University, 2016), followed by a sharply increased interest from management scholars and practitioners (Peshawaria, 2021). Despite the increased academic attention, the field has seen little empirical and theoretical progress (Hollensbe et al., 2014; Gartenberg, Prat & Serafeim, 2019; van Tuin et al., 2020; van Ingen et al., 2021), and the concept of purpose has remained ambiguous (George et al., 2021). In the process of finding the true

meaning of corporate purpose, a broad range of definitions has evolved in both academia and practice, with no generally accepted definition of corporate purpose among researchers (Gartenberg, Prat & Serafeim, 2019; George et al., 2021; van Ingen et al., 2021). The lack of clear terminologies and a common definition has led to both misinterpretations and tensions among scholars (Singleton, 2014), which is argued to have hindered further development of the purpose field (van Ingen et al., 2021).

Previous research on purpose can be categorized into two main perspectives, the goal-based and the duty-based perspectives on purpose. An overview of definitions used by purpose researchers and their respective perspectives can be found in Table 1 and Appendix 1. The goal-based view on purpose takes a largely internal perspective focusing on expressing purpose through the organizational vision, mission, and strategic intent (George et al., 2021). In line with this view, corporate purpose is a “north star” that guides the organization in the right direction (Hollensbe et al., 2014). Researchers within the goal-based view argue that a purpose does not necessarily have to be “pro-social” or have a large impact in societal, environmental, or economic contexts (Gartenberg, Prat & Serafeim, 2019; van Ingen et al., 2021).

In response to the goal-based view on purpose, researchers have called for broader perspectives of corporate purpose (Lee, 2008) rather than merely focusing on its connection and contribution to financial targets (Gartenberg, Prat & Serafeim, 2019; Serafeim, 2022). In line with this critique, the duty-based view on corporate purpose is closely tied to morals and ethics (George et al., 2021). The duty-based perspective on corporate purpose dates back to the early debates on the role of the firm between Friedman (1970) and Freeman (2015), where the latter expanded the role of a corporation from its shareholders to incorporate a broader set of stakeholders more in line with the duty-based view. Closely related to stakeholder theory, the concept of CSR came to evolve into a strategic necessity for firms in the 2000s (Latapí Agudelo, Jóhannsdóttir & Davídsdóttir, 2019). In 2011, the CSV perspective took the CSR approach one step further by incorporating sustainability factors at the company’s core, strengthening the relationship to corporate strategy (Porter, Kramer, 2011). Some critics have highlighted that CSV “*failed (...) to redefine the purpose of the corporation*” (Crane et al., 2014, p.139). In line with this critique, researchers have suggested that shared purpose may be the new path to sustainable development that previous studies have called for (Lleo et al., 2021). Zu (2019) illustrates this view by highlighting “*The*

purpose revolution is the uninterrupted wave of CSR revolution and debate of shareholder and stakeholder theories” (p.2).

	Goal-based View on Corporate Purpose	Duty-based View on Corporate Purpose
Definition	<i>“Goal-based purpose (...) can be understood as an organizational objective defined and chosen by the firm itself without necessarily recognizing the wider role of corporations in society as moral actors” (George et al., 2021 p.3)</i>	<i>“Duty-based purpose explicitly incorporates ethical and/or moral positions” (George et al., 2021 p.5)</i>
Main Influencing Factors	Internal (organizational objectives)	External (morals, ethics on a societal level)
Expressions	Vision, Mission, Strategic Intent	Values, Social Service and Stewardship
Related Research Fields	Strategic planning and positioning, Goal-setting theories	Stakeholder theory, CSR, CSV
Examples of Researchers Supporting This View	Barnard (1938); Hollensbe et al. (2014); Henderson, Van den Steen (2015); Gartenberg, Prat & Serafeim (2019); van Ingen et al. (2021); Serafeim (2022)	Pruzan (2001); Thakor, Quinn (2013); Keller (2015); Zu (2019); Lleo et al. (2021); Steenberg, Sharma (2020)

Table 1. Summarizing the goal-based and duty-based views on corporate purpose.

Most recently, a new stream of authors has attempted to combine the goal- and duty-based views on purpose. In an extensive literature review, George et al. (2021) bridged the two perspectives by consolidating one combined definition of corporate purpose:

“Purpose in the for-profit firm captures the essence of an organization’s existence by explaining what value it seeks to create for its stakeholders. In doing so, purpose provides a clear definition of the firm’s intent, creates the ability for stakeholders to identify with, and be inspired by, the firm’s mission, vision, and values, and establishes actionable pathways and an aspirational outcome for the firm’s actions.” (p.7)

According to this dual perspective, corporate purpose is viewed as an extension of stakeholder theory, following the duty-based view, while simultaneously bearing in mind the importance of internal factors in line with the goal-based view (George et al., 2021). Situated at the intersection of sustainability and entrepreneurship, the authors argue that this dual view

of purpose best accommodates the context and aim of this particular case study, and therefore adopts the definition of purpose as proposed by George et al. (2021).

2.1.1.2. Corporate Purpose Implementation

Several researchers have attributed the slow empirical and theoretical progress of the corporate purpose field to the lack of measurement technologies to systematically evaluate it across firms and over time (Hollensbe et al., 2014; Gartenberg, Prat & Serafeim, 2019; Lleo et al., 2021). However, scholars have also highlighted the inherent challenges with measuring something as abstract as purpose. For example, Rey, Bastons & Sotok (2019) have emphasized the risk of measurements becoming an end in themselves, which could lead to a cannibalization of the underlying purpose if not fully aligned. By incorporating this critique, purpose implementation strength has therefore been highlighted as a fair reflection of an organization's degree of purpose-drivenness (Lleo et al., 2021). In line with this view, many scholars have redirected their attention toward the broader implementation process to make purpose more tangible in an organizational setting (Gartenberg, Prat & Serafeim, 2019; Lleo et al., 2021).

Most existing research centers on two main dimensions of purpose implementation: formulation (knowledge) and practical application (contribution) (Lleo et al., 2021). The first dimension, purpose knowledge, refers to defining and communicating the company's purpose to all its members until they can explain it in their own words (ibid.). This dimension has been highlighted by the main researchers in the purpose field (Bartlett, Ghoshal, 1994; George et al., 2021). The second dimension, purpose contribution, measures whether employees feel their day-to-day work contributes to the overall purpose (Henderson, Van den Steen, 2015; Lleo et al., 2021). This dimension manifests purpose in the company's daily processes and operating systems (Lleo et al., 2021; George et al., 2021). In their extensive review article on purpose, George et al. (2021) presented one of the main frameworks following this two-dimensional approach to purpose implementation.

However, the two-dimensional approach to purpose implementation has also been questioned by both practitioners and scholars who argue that for the purpose to be implemented successfully, it must also connect with the personal beliefs and values of the employees through a process of internalization (Gartenberg, Prat & Serafeim, 2019; Lleo et al., 2021). By leading employees to engage and identify with the organization, a third criterion called

Purpose Internalization has therefore been introduced and adopted by, for example, Lleo et al. (2021).

The works of George et al. (2021) and Lleo et al. (2021) further differentiate in several key aspects. First, George et al. (2021) adopt a more normative approach to purpose implementation by focusing on activities that organizations should engage in to develop a strong purpose. In contrast to this organizational perspective, Lleo et al. (2021) have introduced a more exploratory framework that aims to understand an organization's purpose implementation process based on employee perceptions, which is more aligned with the aim and approach of this study. Second, Lleo et al. (2021) suggest that the implementation of purpose is not a sequential process, as George et al. (2021) suggested. Instead, all dimensions can be assessed both independently and collectively (Lleo et al., 2021). While the three dimensions may not always coincide, the overall implementation of purpose improves when the purpose knowledge, contribution, and internalization levels are more evenly balanced across the organization (ibid.). Third, George et al.'s (2021) framework also includes defining a corporate purpose, referred to as framing the purpose, which falls outside the scope of purpose implementation as defined by Lleo et al. (2021), as depicted in Figure 1.

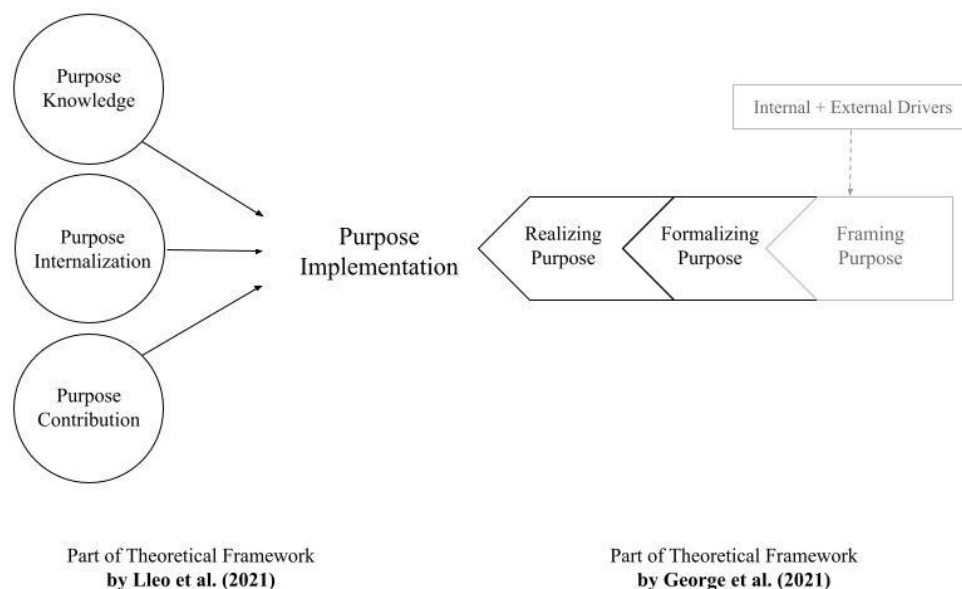


Figure 1. Comparison of two main frameworks for purpose implementation. Areas outside the scope of purpose implementation, as defined in this study, are illustrated in gray.

Considering the entrepreneurial setting of this case study, characterized by strong organizational flexibility (Sine, Mitsunashi & Kirsch, 2006; Pellegrino et al., 2012) and a lack of hierarchical authority (Zaech, Baldegger, 2017), the authors agree with previous researchers that employee internalization should be considered a critical aspect of successful purpose implementation (e.g., Lleo et al., 2021). Thus, this study adopts the three-dimensional definition of purpose implementation as proposed by Lleo et al. (2021):

*“The purpose must be **made known** to everyone, it must **motivate and excite** everyone, and it must be a **concrete part of daily life** for the whole organization.” (p.5)*

With this study, the authors combine several perspectives from key scholars in the purpose field in order to reach a more nuanced analysis of purpose implementation. George et al.’s (2021) definition of purpose incorporating both the goal- and duty-based perspectives of purpose has been adopted. Moreover, the authors apply the three-dimensional definition of purpose implementation as proposed by Lleo et al. (2021) as the basis for the theoretical framework used to assess purpose implementation over time using employee perceptions. Lleo et al.’s (2021) purpose breadth perspective, measuring the share of employees, is further complemented by a depth analysis, as suggested by George et al. (2021), to facilitate a more thorough assessment of purpose implementation concerning all purpose elements over time. See Table 2 for an overview of the standpoints made in this study.

	Study’s Standpoint	Adopted From
Definition of Purpose	Dual Perspective on Purpose: Goal- & Duty-Based	George et al. (2021)
Definition of Purpose Implementation	Three-Dimensional Approach: Purpose Knowledge, Internalization, and Contribution	Lleo et al. (2021)
Assessment of Purpose Implementation Strength	Breadth & Depth Analysis	Lleo et al. (2021); George et al. (2021)

Table 2. Overview of relevant definitions and approach adopted in this study.

2.1.2. Entrepreneurship and Organizational Growth

2.1.2.1. Sustainable Entrepreneurship

In line with the dual perspective on purpose, a new category of sustainable and ethical entrepreneurs has emerged, simultaneously focusing on maximizing environmental, social,

and economic value (Markman et al., 2016). Financial objectives represent a means to solve environmental or social problems rather than a primary goal (Gast, Gundolf & Cesinger, 2017). Scholars from entrepreneurship and sustainability fields have investigated the motivations behind this new wave of sustainable entrepreneurship (ibid.). Such studies have shown that sustainable entrepreneurship is primarily driven by management's commitment and values or the strategic exploitation of opportunities to ensure a competitive advantage (Hitt et al., 2011; Gast, Gundolf & Cesinger, 2017). These motivations contrast the external stakeholder motives in more mature organizations (ibid.). As a result, value-driven entrepreneurs are found to have a more proactive approach to sustainability by integrating a set of ethical issues into the corporate purpose and strategy from the beginning (Gast, Gundolf & Cesinger, 2017).

2.1.2.2. Entrepreneurial Growth

Organizational growth theory can be traced back to Penrose's revolutionary book on firm growth, first released in 1959 (Penrose, 2009), which is seen as a crucial contribution to the strategic management field (Kor et al., 2016). The introduction of the entrepreneurial mode as a form of strategic decision-making can be traced back to the works of Mintzberg (1973), Khandwalla (1977), and Miller (1983), who laid the foundation for what characterizes an entrepreneurial firm. Further research has found that startups operate in a context that is highly risky (Ouimet, Zarutskie, 2014), complex and uncertain (Hmieleski, Baron, 2008; Sommer, Loch & Dong, 2009), and characterized by a lack of financial capital, human resources (HR), and hierarchical authority (Zaech, Baldegger, 2017). Although research has illustrated that entrepreneurial firms come with a range of alternative configurations (Kaehr Serra, Thiel, 2019), the commonly agreed-upon narrative around startups is a relative lack of structure to allow for higher flexibility and agility (Sine, Mitsunashi & Kirsch, 2006; Kaehr Serra, Thiel, 2019).

Startup scaling is thus often associated with implementing new organizational structures to increase efficiency and responsiveness when pursuing new growth opportunities (Boeker, Wiltbank, 2005; Sine, Mitsunashi & Kirsch, 2006). Mirroring more mature firms, such professionalization activity often comes with the formalization of processes, roles, and rules; introduction of, or altered, hierarchical relations; and more decentralized decision-making (Sine, Mitsunashi & Kirsch, 2006; Kaehr Serra, Thiel, 2019). Moreover, Beckman & Burton (2008) find that early choices made by the founding team leave a lasting imprint on the firm's

behaviors, practices, and performance. Consequently, introducing new organizational structures is often met with organizational resistance and may result in significant “growing pains.” Moreover, the formalization of roles and introduction of new hierarchical levels risks destabilizing existing power structures in the organization, and the enforcement of new norms of behaviors may collide with values instilled by past managers (Kaehr Serra, Thiel, 2019).

2.1.2.3. Entrepreneurial Recruitment

As an inherent factor of organizational growth, recruiting new employees is a critical activity for a scaling startup. An extensive literature review on startup recruitment by Cardon & Stevens (2004) finds that small and young firms suffer from a lack of legitimacy, limited financial resources, and unclear role responsibilities, which makes recruitment more challenging. Moreover, small firms’ recruitment activities often interfere with startup managers’ responsibilities, who already suffer from resource and time constraints (ibid.). Despite these challenging conditions, small firms tend to emphasize the person-organization fit in terms of norms, values, and beliefs when recruiting (ibid.). Sometimes to such a large extent that alignment with the organizational culture and purpose is prioritized over role-specific requirements. However, startups’ informal, empowered approach to work can, in fact, also be a success factor when recruiting specific talent (ibid.).

2.1.2.4. Entrepreneurial Leadership and Purpose

Characterized by limited processes, structures, and routines, startup founders play a critical role at the inception of a firm in both outlining a company vision and guiding employees towards it (Zaech, Baldegger, 2017). Moreover, entrepreneurial leaders create and use visionary scenarios to mobilize a group committed to both discovering and exploiting opportunities (Gupta, MacMillan & Surie, 2004; Kearney et al., 2019). Entrepreneurial leaders should thus pay close attention to the balance between exploration and exploitation modes by embracing organizational ambidexterity (Mathias, McKenny & Crook, 2018). While the founders’ architectural role tends to be more pronounced in the early stages of the firm, they are likely to contribute as key strategic experts throughout the firm’s lifetime (Abebe, Alvarado, 2013).

Gartenberg, Prat & Serafeim’s (2019) study finds that the strength of purpose internalization increases with seniority. Moreover, the study identifies two main types of purpose-driven firms: “*firms that are characterized by high camaraderie between workers and firms that are*

characterized by high clarity from management” (ibid., p.1). In addition to having a strong sense of purpose, firms with High Camaraderie have familiar and fun working atmospheres. High Clarity refers to the managers’ ability to provide a clear sense of direction, responsibilities, and tools to clarify a path forward for employees (ibid.). The study finds a positive association between high purpose-clarity and higher future financial performance, which is driven by the perceptions of the middle ranks of the organization (ibid.). This finding further highlights the important role of middle managers in ensuring purpose internalization across the organization in line with previous research (Wooldridge, Schmid & Floyd, 2008). Furthermore, previous research by Cady et al. (2011) suggest that strong implementation of purpose reduces the need for formal monitoring and structures.

2.1.3. Research Gap

Having conducted a comprehensive review of literature relevant to the aim of this study, several scholars have highlighted the need for further insight into the overall topic of purpose implementation and its relation to entrepreneurship and organizational growth.

2.1.3.1. Corporate Purpose Implementation

Despite the growing interest from academics and practitioners, many researchers have emphasized the need for more empirical and theoretical insight into the corporate purpose field (Hollensbe et al., 2014; Gartenberg, Prat & Serafeim, 2019). Moreover, only a few empirical studies have investigated the opportunities and challenges associated with purpose-driven strategies (von Ahsen, Gauch, 2022). Summarizing the lack of empirical and theoretical progress so far, George et al.’s (2021) extensive review article put forward a scholar’s call for more research on the formalization of purpose in the for-profit firm in order to make the largely ambiguous and intangible concept of purpose more tangible in an organizational setting. George et al. (2021) attempt to capture some of the dynamics associated with purpose by incorporating internal and external forces as potential feedback loops that could lead to re-framing a corporate purpose definition. Once the definition of purpose has been altered, this may indirectly impact the purpose implementation dimensions. However, George et al.’s (2021) contribution to purpose framing is considered to be outside the scope of purpose implementation as defined by Lleo et al. (2021) and thus also fails to explain any of the dynamics associated with the purpose implementation in line with the objectives of this study.

To the best of our knowledge, there are no available studies on the implementation of purpose from a temporal perspective, leading to a lack of insight into the potential dynamics that may influence purpose implementation over time. This research gap is highlighted by several researchers who have attributed the lack of empirical and theoretical progress to the lack of measurement technologies to systematically evaluate purpose across firms and over time (Gartenberg, Prat & Serafeim, 2019). In light of this critique, several researchers have requested further research on how corporate purpose may evolve over time and how such change could be measured (Hollensbe et al., 2014; Lleo et al., 2021). For example, Lleo et al. (2021) have requested further empirical insights into employee perception of purpose implementation and how it evolves over time. These theoretical findings reveal a need for further research into the implementation of purpose to make this ambiguous concept more tangible.

2.1.3.2. Corporate Purpose, Entrepreneurship, and Organizational Growth

Except for highlighting founders' role in formulating the initial purpose definition, George et al.'s (2021) review of purpose literature does not acknowledge the entrepreneurial context nor organizational growth factors in relation to corporate purpose, revealing that this perspective has been largely overlooked. Instead, previous work on purpose mainly focuses on how non-purpose-driven businesses can strengthen or reinvent their purpose, targeted at firms of any particular maturity or size (George et al., 2021).

Several researchers from a wider range of research fields highlight this particular research gap. For example, Gartenberg, Prat & Serafeim's (2019) study on purpose and clarity highlights several interesting research angles set at the intersection of purpose implementation and firm growth. The study finds that younger firms with fewer employees have a stronger sense of purpose, whereas larger, more established firms demonstrate higher purpose-clarity. Concerning these findings, they suggest that larger firms may need to pair a strong sense of purpose with more structured processes to communicate role responsibilities more clearly (ibid.). Moreover, they propose several key questions for future researchers to address to improve understanding of purpose implementation. For example, they highlight the following question: How is high purpose clarity created in an organization, and what are the effects on employee engagement, leadership, and other organizational effects? (ibid.). Other scholars have also highlighted the role of purpose in entrepreneurial firms. For

example, Markman et al. (2016) have called for future researchers to explore the role of non-economic goals in entrepreneurial processes and how these relate to the exploration and exploitation of opportunities. Finally, both Hitt et al. (2011) and Gast, Gundolf & Cesinger (2017) have highlighted the need for further insight into firms that are founded with personal sustainability motives and how such organizations evolve over time. More specifically, Gast, Gundolf & Cesinger (2017) have requested research on if such firms remain value-based over time, or if the strategic orientation shifts with organizational growth. Thereby highlighting the connection between corporate purpose and organizational growth from an entrepreneurial perspective.

2.1.3.3. Summarizing the Research Gap

By going from the broad to the narrow, the authors have identified one broader research field that this study aims to contribute to, as well as one increasingly narrow and novel research gap that this study is among the first to address. An overview of scholars who have highlighted the need for further research on these respective topics is found in Table 3.

Identified Research Gaps	Amongst Others Highlighted By
i) Corporate Purpose Implementation	Gartenberg, Prat & Serafeim (2019); George et al. (2021); Lleo et al. (2021); von Ahsen, Gauch (2022)
ii) Corporate Purpose Implementation and Entrepreneurship & Organizational Growth	Hitt et al. (2011); Markman et al. (2016); Gast, Gundolf & Cesinger (2017); Gartenberg, Prat & Serafeim (2019)

Table 3. Overview of research gaps in literature.

Consequently, by bridging the two fields of Corporate Purpose Implementation and Entrepreneurship & Organizational Growth, a distinct research gap has thus been identified, as illustrated in Figure 2. This paper aims to contribute to this novel research gap by investigating the role of organizational growth in the employee perception of purpose implementation at a startup when scaling.

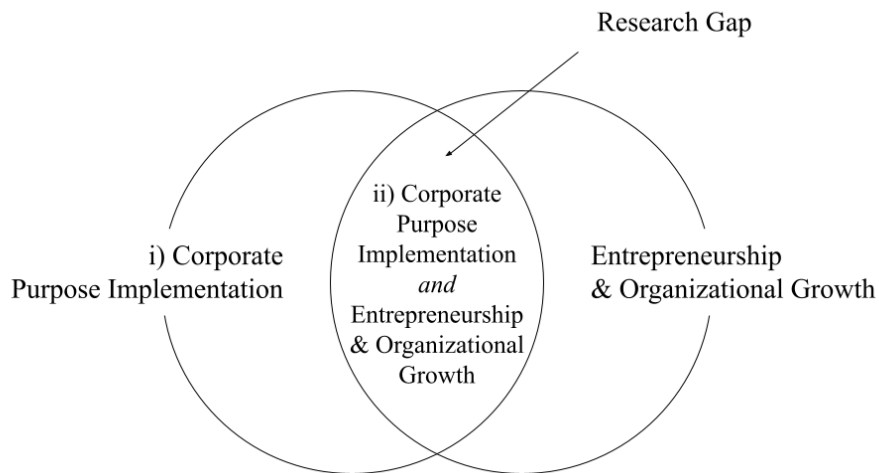


Figure 2. Overview of the identified research gaps.

2.2. Theoretical Framework

In order to capture the dynamics of purpose implementation through a temporal perspective and close the identified research gaps, a theoretical framework has been developed, depicted in Figure 3, based on insights from the literature review and with the overarching research question in mind: *What is the role of organizational growth in the employee perception of corporate purpose implementation at a startup when scaling?*

The proposed theoretical framework is inspired by the framework for purpose implementation as proposed by Lleo et al. (2021), with several key additions in line with the set research question. Following this framework, purpose implementation strength is determined by the extent that employees are informed about the purpose, feel motivated by the purpose, and feel they are contributing towards the purpose (ibid.). These three purpose dimensions are then evaluated both in terms of individual strength and cross-dimensional consistency to assess the overall degree of purpose implementation (ibid.).

By extending the theoretical framework to include a layer of organizational growth, each purpose dimension is assessed from a temporal perspective with regards to growth.

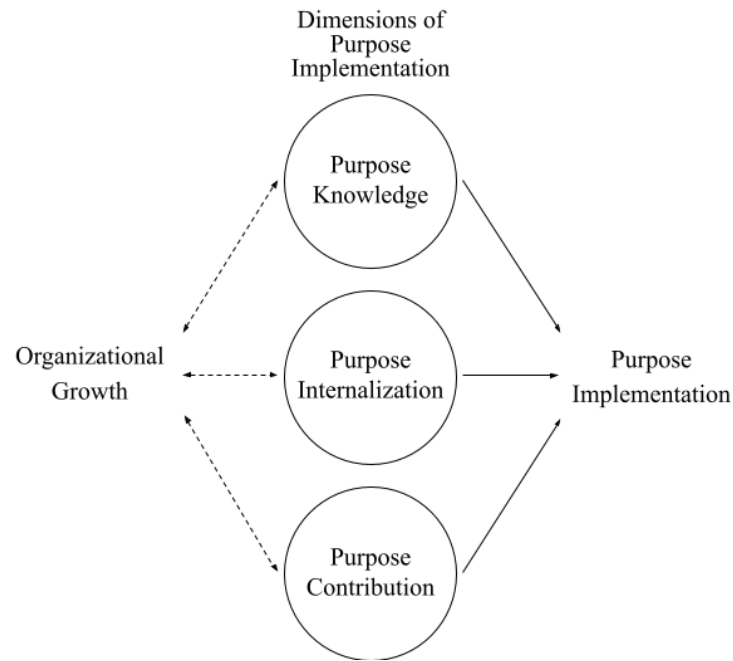


Figure 3. Theoretical Framework illustrating the relationship between organizational growth and purpose implementation, an extension of framework by Lleo et al. (2021). Hereby, dotted lines indicate dynamic relationships.

To facilitate a more thorough analysis of how the relationship between organizational growth and purpose implementation has evolved with regard to all purpose elements, Lleo et al.'s (2021) purpose breadth perspective, measuring the share of employees, is further complemented by a depth analysis, as suggested by George et al. (2021). The strength of each purpose dimension is thereby assessed with regard to both the share of employees and the number of purpose elements, as illustrated in Figure 4.

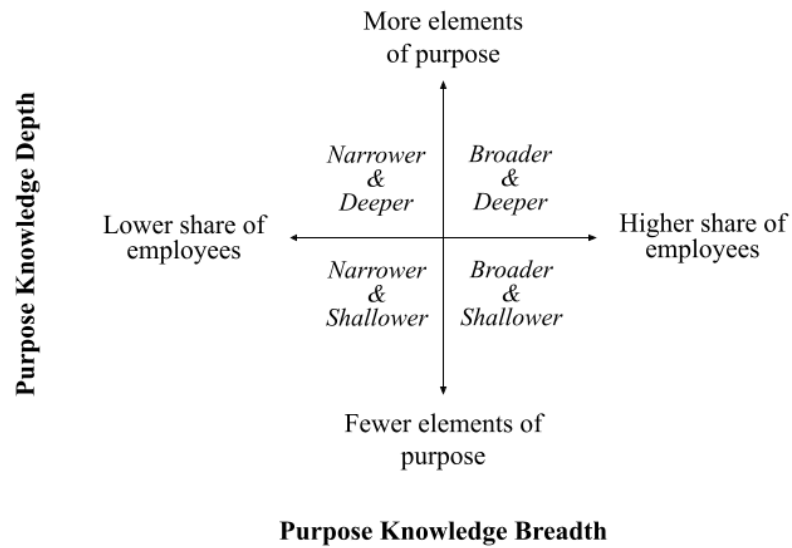


Figure 4. Assessment of purpose dimension strength using depth and breadth analysis from a temporal perspective.

Finally, the three purpose dimensions are combined to assess their collective impact on overall purpose implementation over time. As a result, the extended theoretical framework as proposed by the authors aims to explore the relationship between purpose implementation and organizational growth from a temporal perspective and thus improve understanding of purpose implementation as a dynamic concept in line with the research aim. Dynamic relationships are illustrated using dotted arrows, and interconnections not covered in-depth will be marked in gray.

3. Research Design

The following section explores the steps of the research process, following mainly an abductive research approach. In line with the interpretivist epistemology, a qualitative single case study has been conducted at a select scaling startup. The research process has encompassed preparatory work, followed by the main study based on in-depth interviews. Finally, the section covers quality and ethical considerations throughout the research process.

3.1. Scientific Research Approach

3.1.1. Methodological Fit

This study aims to clarify the vague corporate purpose frontier (Hollensbe et al., 2014; Gartenberg, Prat & Serafeim, 2019; George et al., 2021) by adopting a temporal perspective. Set at the intersection of purpose implementation and organizational growth, a qualitative research approach is most suitable to address this novel research area (Edmondson, Mcmanus, 2007). Furthermore, several authors have called for more qualitative studies to better comprehend the nuances associated with startups and growth (Abebe et al., 2020), further confirming the appropriateness of the aforementioned research approach. Gartenberg, Prat & Serafeim (2019) further state:

“An organization’s purpose is not a formal announcement, but instead a set of common beliefs that are held by and guide the actions of employees” (p.3)

The exploration of a highly intangible and ambiguous concept such as purpose and its relationship with organizational growth requires an in-depth study at a smaller scale, why a single case study approach is deemed to be most suitable for this specific topic (ibid.). Further, the study aims to capture the evolution of purpose implementation over time from an employee perspective, as previously requested by Lleo et al. (2021). Moreover, the case study approach to research is especially suitable given the aim to provide rich and in-depth descriptions of how employees perceive a contemporary phenomenon, i.e., the implementation of purpose, in a real-life setting (Yin, 2003).

3.1.2. Research Design

The study builds on interpretivist epistemology (Bell, Bryman & Harley, 2018). The basis for the research design thereby constitutes in-depth interviews to capture the social sense-making of employees relating to the phenomenon of purpose implementation at a deeper level in line with requests by Lleo et al. (2021) and further complemented by observations and documents to achieve triangulation (Bell, Bryman & Harley, 2018). Table 4 shows an overview of the data collection.

Data Type	Number Processed
Interviews	24
Preparatory Interviews	3
In-Depth Interviews	21
Observations	6
Thesis Workshops	2
Company Conferences	1
CEO Town-Halls	3
Internal Documents	15
Online Documents	12
Printed Materials	3
External Documents	12
Website and Social Media Accounts	3
Recruitment Ads	5
PR-related Materials	4

Table 4. Overview of data collection in terms of interviews, observations, and documents.

The research process first took an inductive approach to enable an understanding of the theory with the basis of the preliminary interviews, guiding the later work (Makri, Neely, 2021). In the study, the words used and meanings described from a subjective viewpoint are central to understanding complex and in-depth subject interpretations of purpose implementation (ibid.). As the research process progressed, however, an abductive approach seemed more fitting for the aim and topics of the study. Going back and forth between empirical findings and theories enabled the authors to gradually develop and test the theory to build a more robust study (Makri, Neely, 2021). In line with the abductive research approach,

the authors looked at purpose definitions and explored the main articles in the field (e.g., Gartenberg, Prat & Serafeim, 2019; George et al., 2021). Supported by empirical findings, the authors then narrowed the scope to the three-dimensional definition of purpose implementation inspired by Lleo et al. (2021). Purpose implementation was further complemented by entrepreneurship and organizational growth theories in line with the identified research gap to ensure further theoretical and empirical contributions.

3.1.3. Research Case

Startups are associated with both rapid organizational growth (Boeker, Wiltbank, 2005; Sine, Mitsunashi & Kirsch, 2006) and are naturally closer to their corporate purpose (Gartenberg, Prat & Serafeim, 2019). In line with the identified research gap and aim of this study, the authors argue that purpose-driven startups make a solid empirical case from both a temporal and purpose perspective. Moreover, startups are largely unexplored in the purpose field thus far (ibid.).

Fulfilling these criteria (i.e., a growth-oriented entrepreneurial firm with a perceived strong purpose), an anonymized organization, hereby referred to as *NorthStar*, was selected for the single case study. NorthStar is a Swedish tech company aiming to disrupt a mature industry while having sustainability at the core of the business model. Moreover, NorthStar is considered to have integrated a set of ethical issues into the corporate purpose and strategy from the beginning while focusing on maximizing environmental, social, and economic value simultaneously. Thus, the case company also falls under the definitions of both sustainable and ethical entrepreneurship (Markman et al., 2016) and value-driven entrepreneurship (Gast, Gundolf & Cesinger, 2017).

The company's significant growth has been noted in different business areas. NorthStar has ramped up its commercial activities, raised capital from investors, and expanded to several new geographical markets. Some of these major company events are marked in Figure 5 with stars for the years the events happened, but they are not specified in detail due to confidentiality reasons. NorthStar has also deployed several reorganization efforts to ensure efficiency across departments and offices with growth. Further, the company has secured customers and achieved a steadier revenue flow in recent years. Most notably, in terms of growth, the company has increased its employee count exponentially during its few years of

existence, thus evidently making a growth journey from a startup to a scaling startup, which the authors found particularly interesting to investigate from a corporate purpose perspective. Both employee count and other major company events mapped in empirics and internal documents were incorporated to assess a point in time when NorthStar's transformed from being considered a startup to a scaling startup. This change in maturity was considered to occur at the end of Year X, whereafter, the employee count rose exponentially. People joining until the end of Year X are thus considered early employees, hereby referred to as E#. Employees joining the company after Year X are referred to as late employees, specified as L#. In the main study, 13 early employees and eight late employees were included. Both the total employee count and the year each interviewee joined the company are illustrated in Figure 5 and based on documents and interview insights.

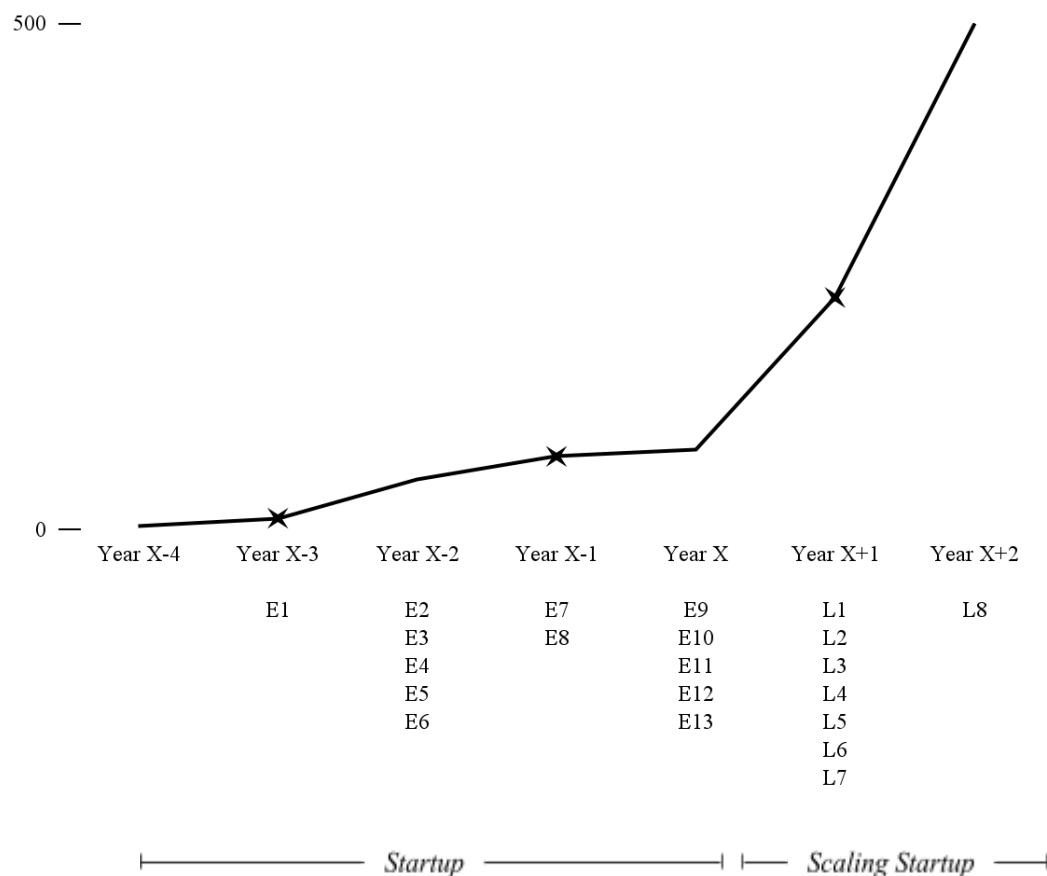


Figure 5. An overview of end-of-year employee count at NorthStar, interviewee start dates, and major company events. The dotted line represents indicative values.

The authors collaborated closely with NorthStar during the process of the study, making it considerably easier to schedule interviews and enabling the creation of relationships while building trust and rapport with the employees, thus increasing the likelihood of receiving truthful answers in an interview setting (Barnard, McCosker & Gerber, 1999). Access to both documents and the company offices also facilitated the collection of a broader range of information to support the study and achieve triangulation of sources, i.e., taking part in internal documents and allowing for observations at NorthStar throughout the research process.

3.2. Scientific Research Process

The overall research process included three main steps, as outlined in Figure 6. Initiating the research process, the authors completed key activities, including setting an overall research aim and collecting initial empirical data. Some preliminary questions arose when the authors discussed possible research angles: What is NorthStar’s purpose? How has it evolved over time? These initial inquiries helped set the overall research aim to investigate the relationship between corporate purpose and organizational growth, setting the scene for the preparatory work, finalized research question, and the main study to follow.

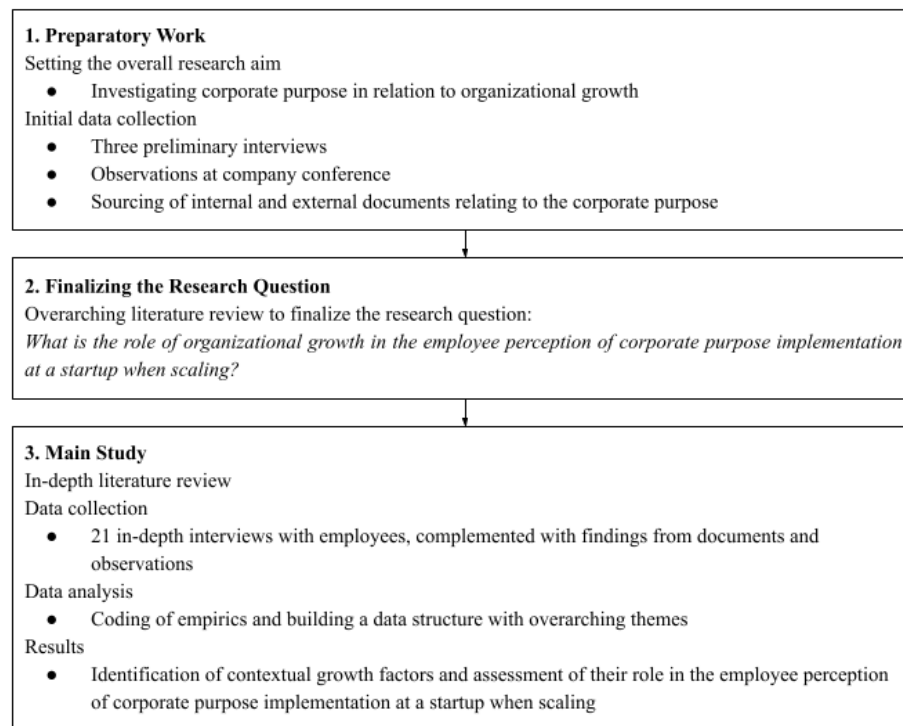


Figure 6. Overview of the scientific research process.

3.2.1. Preparatory Work

The overall research approach was exploratory and initiated by collecting initial empirical data as a basis for the study (Makri, Neely, 2021). The authors held preparatory interviews with three select representatives at NorthStar to assess the role and evolution of corporate purpose at NorthStar (see Appendix 2 and 4). These interviews confirmed the empirical relevance of the identified research aim at NorthStar. Two NorthStar employees were assigned as supervisors to facilitate the research process and data collection. Moreover, the preparatory interviews were complemented by real-time observations and extensive reviews of company documents. For example, the authors participated in a two-day conference for NorthStar's employees. Furthermore, the authors were granted access to internal records and databases. As part of the preparatory work, the authors conducted a broad review of relevant documents to understand the company's communication on corporate purpose internally and externally.

3.2.2. Finalizing the Research Question

Following this preparatory phase, the main interviews were scheduled in parallel with an overarching literature review of the corporate purpose field. One recent review article by George et al. (2021) helped the authors understand the current state of the corporate purpose field by highlighting a scholar's request to dig deeper into the purpose implementation process. Given the authors' initial interest in exploring corporate purpose framing, it was crucial to understand the founders' perspective on the matter (ibid.). However, when trying to schedule these interviews, it became evident that the founders may not be able to participate in the study. The authors, therefore, decided to proactively pivot the focus of the study away from the initial framing of corporate purpose towards focusing on purpose implementation from the perspective of employees instead (ibid.). Therefore, Lleo et al.'s (2021) purpose implementation framework, complemented by key perspectives from George et al. (2021), set a distinct direction for the main study to follow. In light of these challenges, the preparatory work, followed by an overarching literature review, helped the authors narrow down the theoretical and empirical scope in line with the abductive research approach. The preparatory work thus pinnacle in a final research question guiding the main study: *What is the role of organizational growth in the employee perception of corporate purpose implementation at a startup when scaling?*

3.2.3. Main Study: In-Depth Interviews

3.2.3.1. Interview Sample

The study aimed to have a diverse interview base concerning the following criteria; tenure, seniority, department, and office. Capturing a temporal perspective, tenure evolved as the most critical criterion when selecting the interview sample. Therefore, the authors prioritized interviewees joining the company until Year X, complemented with people joining after Year X to capture more diverse perspectives. To understand the perspectives from different hierarchical levels of the organization, top management, middle management, and entry-level employees were included. Moreover, a broad range of departments was represented, including sales, operations, tech, product, HR, and marketing, to ensure further diversity across the interview base. Furthermore, the interview sample covered employees based in the headquarters (HQ) and another regional office. (See Appendix 5 for an overview of the 21 interview subjects).

3.2.3.2. Interview Design

Internal communication channels were used to reach out to the desired interviewees. The authors only provided a brief description of the overall research topic prior to the interview in order to avoid receiving pre-rehearsed answers in the interview settings. Most interviews were held in person at NorthStar's office, and the remaining interviews were conducted virtually due to COVID-19-related reasons. In line with previous studies on online conferencing tools, the online interviews reached similar quality as the in-person interviews (Nehls, Smith & Schneider, 2014). To mitigate potential social desirability biases, the authors ensured each interviewee that there were no right or wrong answers. Instead, the interviews aimed to capture each interviewee's subjective perceptions (Podsakoff et al., 2003). Moreover, ensuring the complete anonymity of all interviewees further helped mitigate potential biases (ibid.). Furthermore, the interviewees were asked whether they preferred the interviews to be held in Swedish or English. Interviews held in Swedish were translated upon finalizing the transcription and cross-checked by both authors individually to ensure that nuances captured in Swedish were transferred to the finalized English version.

The interview design was based on semi-structured interviews. A list of open-ended questions was used as a basis for the interview guide (see Appendix 3), with extensive room for follow-up questions emerging in the particular interview settings. Even though the

interview guide was based upon semi-structured interviews to ensure fit with the research question, the guide was used in a flexible manner as the research progressed and took more of an abductive reasoning approach as recommended by Gioia, Corley & Hamilton (2013). Furthermore, the aim of each interview was to capture the interviewees' perspectives on the relationship between purpose implementation and organizational growth at NorthStar in line with the overarching research question. One author acted as the main interviewer during the interviews, while the other took notes. Each interview lasted, on average, 40 minutes.

3.2.3.3. Data Processing

Following the inductive approach during the preparatory work, the authors mainly focused on the empirical findings rather than the existing theory. The authors thus followed Gioia's grounded theory approach as a starting point (Gioia, Corley & Hamilton, 2013). This approach seemed most fitting for data processing as the study aims to understand a socially constructed organizational phenomenon, specifically, the perception of corporate purpose at the individual employee level (ibid.). However, upon completion of the preparatory phase, the authors took a more abductive and reflexive approach to the methodology when finding related theories as building blocks for the theoretical framework (e.g., Lleo et al., 2021) and going back and forth between empirics and relevant theories (Atkinson, Coffey & Delamont, 2003). This shift is also in line with previous findings by Gioia, Corley & Hamilton (2013), who states that *"the research process might be viewed as transitioning from "inductive" to a form of "abductive" research"* (p.21).

The data processing began already during the interviews, with one author taking rigorous notes while the other author acted as the main interviewer. Upon completing each interview, the authors spent approximately 15 minutes summarizing and documenting the key insights when the information was still fresh in mind (see Appendix 3, post-interview questions). Following the interviews, the recordings were transcribed to ensure all details and nuances were captured in text format to understand *what* the interviewees highlighted and *how* the interviewees talked about the corporate purpose.

Thereafter, the authors individually coded first- and second-order constructs based on the raw data in line with Gioia, Corley & Hamilton (2013). In the first-order constructs, the focus was on maintaining the integrity of the exact phrases and terms used by the employees. Special attention was also given to what the interviewees said and how they said it to capture their

so-called “*lebenswelt*” and potentially unveil deeper meanings of what was actually expressed (ibid.). Thereafter, the first-order constructs were condensed into more theory-centric second-order constructs, where the level of abstraction, as a consequence, increased (ibid.). As a next step, following Gioia, Corley & Hamilton (2013), the second-order constructs were distilled to find common themes. The themes emerged as the abstraction level increased and were based on empirical and theoretical data. As a result, the employees’ main associations to organizational growth (hereby used interchangeably with “contextual growth factors” and “growth factors”) and their associated influence on the three dimensions of purpose implementation emerged as main themes. The authors explored dynamic relationships between the overarching themes further in line with the research question (ibid.). An exemplary interviewee quote and the subsequent mapping of first- and second-order constructs, as well as overarching themes, can be found in Figure 7. Finally, as the overarching themes emerged, and with an abductive reasoning approach, the authors went back and forth between the empirical findings and the theory to build a robust theoretical framework with the basis of interviews, complemented with findings from related theories (Reichertz, 2009).

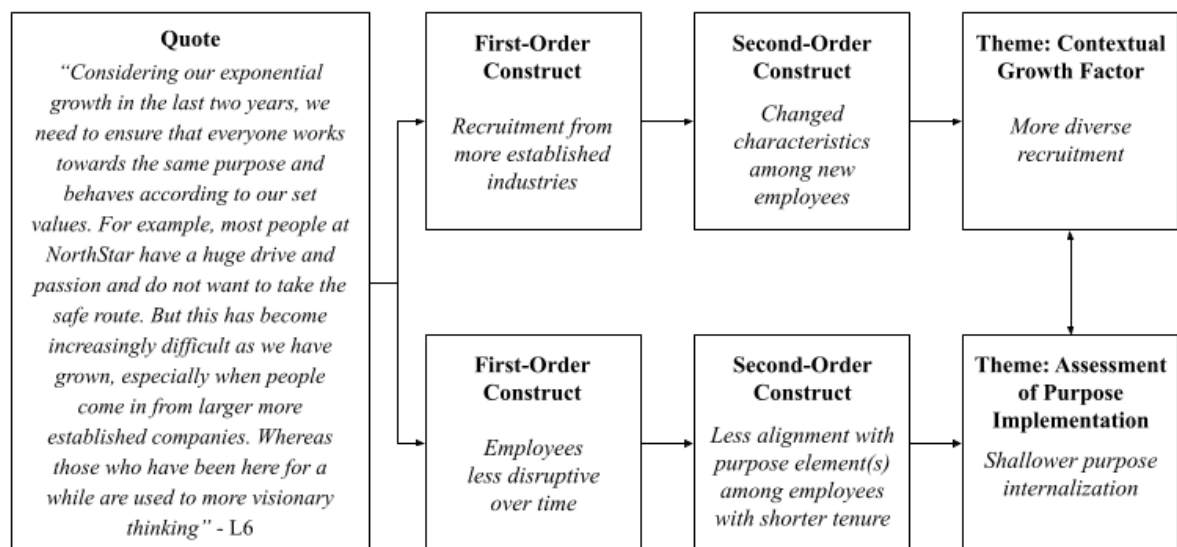


Figure 7. Data processing exemplified.

3.3. Quality of the Study

3.3.1. Quality Considerations

A qualitative approach to research was taken in line with interpretivist epistemology, where it is the task of the authors to determine the perceived realities of subjects, ensuring the quality of the study through reliability and validity (Bell, Bryman & Harley, 2018). Reliability and validity of such research can be assessed based on trustworthiness, consisting of four sub-criteria: credibility, transferability, dependability, and confirmability (Lincoln, Guba, 1985). The authors' approach to ensure these criteria are met is explained below.

3.3.1.1. Credibility

Credibility encompasses internal validity and can be ensured through respondent or member validation (Guba, Lincoln, 1994; Bell, Bryman & Harley, 2018). Interviewee scope was determined based on the authors' perceived data saturation concerning the set research question, resulting in a total of 24 interviews throughout the research process. Further credibility was achieved through triangulation, by using and cross-checking data along several data types (Lincoln, Guba, 1985). In-depth interviews were complemented with documents and observations, which further helped facilitate the authors' interpretations of the interviewees' perceived realities and sensemaking through fact-checking interview findings with other data sources.

3.3.1.2. Transferability

The transferability component ties back to the study's external validity, i.e., whether the study can be transferred to another context through "thick descriptions" ensured by interviewees describing details in nuanced and rich ways (Bell, Bryman & Harley, 2018). In the research process, thick descriptions were ensured by asking open-ended questions during the semi-structured interviews and by giving the interviewees the possibility to reflect on and explain certain phenomena relating to purpose implementation in their own words. The transcription and later coding process further allowed for deeper meanings of subjects to be captured.

3.3.1.3. Dependability

Dependability as a factor of trustworthiness relates to ensuring accessible record-keeping, or auditing, of the whole research process (Bell, Bryman & Harley, 2018). The authors took

rigorous notes during all research-related meetings and established weekly overview documents to ensure complete mapping of all relevant information and facilitate later recollection of the process. Furthermore, to some extent, the academic supervisor acted as an external auditor during bi-monthly meetings by asking clarifying questions and accessing the latest changes in the research process.

3.3.1.4. Confirmability

It is of utmost importance that authors of qualitative studies are not influenced by personal values or biases when conducting the research, also called the confirmability aspect of trustworthiness (Bell, Bryman & Harley, 2018). Even though complete objectivity in research is nearly impossible to reach, confirmability could be ensured to some extent as the authors aimed to enter every interview with a clean sheet and with the ultimate aim of understanding each interviewee's perceived reality in-depth. Triangulation through the use of documents and observations alongside in-depth interviews further ensured confirmability in the research process (Lincoln, Guba, 1985).

3.3.2. Ethical Considerations

There were several ethical considerations underlying the research. Ethics has been ensured throughout the study process by ensuring that NorthStar and its employees are fully anonymous. Both the case company and the interviewees, including departments, have been assigned randomized names to ensure anonymity while providing the study with a more vivid storyline. Interviewees were guaranteed complete anonymity internally, ensuring they would feel more comfortable talking freely. Before starting the interviews, the authors asked permission to record the interviewees to enable later transcription of the files. All interview data were thereafter stored in accordance with GDPR. Furthermore, company computers were used to process internal files to ensure compliance in processing and storing confidential data.

4. Empirical Results

This section presents the main empirical findings from 21 in-depth interviews, complemented with documents and observations. The data is divided into two main parts to capture a temporal perspective in line with the theoretical framework. The first part focuses on the employee perception of corporate purpose definition and the perceived corporate implementation, structured according to the three purpose dimensions. The second part focuses on the employee perception of organizational growth, structured according to the three main themes as noted in the interview data.

4.1. The Case Company: NorthStar

NorthStar has been referred to as a purpose-driven company with disruption, sustainability, and tech positioned at the core of its business model across interviews, documents, and observations. Moreover, using employee count as the primary measure of growth, NorthStar has transformed from being a startup to a scaling startup at the end of Year X, whereafter an exponential growth in terms of employees is noted (see Figure 5). Several interviewees have clearly noted the growth factor:

“It has been very interesting to see the company evolve from within, both in terms of technological advancements but also organizational complexity. What still felt like a startup one year ago is now something else, something bigger.” -L4

4.2. NorthStar’s Corporate Purpose Definition

“We are disrupting the industry to become more sustainable with the help of new technologies. That is one of few aspects that have remained constant over time, which I would say is one of the main strengths of the company” -E7

This was one early employee’s explanation of NorthStar’s corporate purpose. Similar versions of this description have been found across empirics, with three frequently recurring elements. NorthStar’s corporate purpose definition is considered to consist of three key elements: i) *disrupting an industry*, ii) *driving sustainability*, and iii) *developing new technologies*, hereby referred to as disruption, sustainability, and tech. These three purpose elements have also been identified in early documents, indicating that the purpose has not

diverged from the initial definition set by the founders. This is also confirmed by 11 employees who stated that NorthStar's corporate purpose has remained constant since its founding.

4.3. Employee Perception of Corporate Purpose

4.3.1. Purpose Knowledge

When asked to explain why the organization was founded and what the ultimate long-term goal for the company was, all (21) interviewees were able to explain the company's purpose in their own words, as depicted in Table 5. This was illustrated by one employee who mentioned all three elements of NorthStar's corporate purpose:

"NorthStar exists to reduce, and hopefully eliminate, CO2 emissions in the sector by rethinking industry standards. But also to make the industry use new technology" -L7

Some slight variance in emphasis on the three purpose elements was noted between different interviewee subjects. Of the 21 interviewees, 20 mentioned disruption, 20 sustainability, and 18 tech. Overall, empirics indicate broad employee knowledge about all elements of NorthStar's corporate purpose (i.e., disruption, sustainability, and tech) across the organization.

4.3.2. Purpose Internalization

15 interviewees highlighted the corporate purpose as being one of their main reasons for joining NorthStar. Moreover, all 21 interviewees explicitly stated that they, to a high degree, agree and identify with one or more elements of the corporate purpose, illustrating how NorthStar has maintained a broad internalization of purpose across the organization.

"I believe most people are here for at least one of three reasons: the sustainability agenda, tech or the entrepreneurial journey" -L1

While no interviewee disagreed with any of the purpose elements, many interviewees related to different elements of the purpose with varying strengths. What specific elements were internalized more than others differed between different departments, offices, seniority, and tenure. Overall, 14 interviewees demonstrated internalization of the sustainability element, 12

disruption, and 11 tech. During interviews, several employees noted that the disruptive element was particularly challenging, especially for those joining NorthStar at a later stage. One interviewee stated:

“People have a hard time trying to understand what it means to be truly disruptive. (...) I think we have to continue to reiterate what it means to be a vision-driven company so that everyone understands.” -L2

Only five interviewees demonstrated a strong interest in all three elements of the corporate purpose, four of which were early employees. This finding is in line with the frequent referrals to a small clique of early employees who are seen as organizational “culture bearers” and “visionaries”. This deep internalization of purpose was illustrated by one of the earliest employees who stated:

“There are companies that care most about the money. But I have been pretty optimistic from the start and always put the mission first. My philosophy is to do good things, and the money will follow.” -E1

Another employee highlighted that the different elements of the purpose have the potential to fill varying functions for people across the organization:

“Or they [the purpose elements] are motivational in slightly different ways. In terms of tech, we are among the first in the world in several aspects. Whereas people would not be here if we did not have sustainability as part of our core.” -L6

On this topic, one of the earliest employees highlighted the risk of employee demotivation if not all dimensions of the corporate purpose are internalized:

“Many candidates highlight that they are passionate about the technology [one purpose element] without tying it to our larger purpose. Will this passion be enough for you to feel fulfilled? Personally, I don’t think so. Especially when things get tough, people need to be closer to our purpose in order to truly understand where we are going and why.” -E1

Another interviewee highlighted that their personal values have changed since starting at the company, leading them to become more aligned with the purpose of the organization. This is explained by a deeper understanding of the industry and NorthStar's solutions, leading them to believe more strongly in the corporate purpose over time.

"I would say that sustainability aspects have become more important to me since I started at NorthStar. This is mostly due to the fact that I have learned a lot. And not only about the issues facing our particular sector, but also how these questions connect to other global challenges." -L7

A similar shift in their colleagues was noted by another interviewee:

"I have seen such transformations in people over time. People come in with a certain perspective, and then after six months, they have even changed their way of talking to something which is much more in line with NorthStar's purpose and values." -E10

4.3.3. Purpose Contribution

Empirics indicate a wide variance among NorthStar's employees in the extent to which they perceive that their day-to-day work contributes to the corporate purpose. Four interviewees indicated that they feel a strong connection between the corporate purpose and their daily work, whereas a similarly sized share stated that their tasks feel quite detached from the overall corporate purpose. Overall, a majority of interviewees regularly reflect on the corporate purpose in their day-to-day work. Moreover, empirics indicate that this variance is largely connected to tenure, with more early employees demonstrating a solid connection to the corporate purpose in their daily work. In contrast, only two of the late employees expressed such a connection. For example, one early interviewee highlighted that his part in creating the initial soft values at the very beginning had spurred a stronger sense of connection to them in daily tasks:

"Back in the day, I took part in formulating the values at NorthStar. I was the main advocate for integrating humbleness into them." -E1

Contrasting this perspective, several employees with shorter tenure stated that they do not feel the need to reflect on the long-term vision on a day-to-day basis, assuming that the purpose has already been incorporated into their job description. For example, two late employees stated that their daily tasks largely lack a concrete connection to the corporate purpose:

“I don’t walk around thinking that we [NorthStar] need to save CO2 emissions in my daily work.” -L7

“The vision feels too far away to guide my daily work. It doesn’t help with prioritizing what is most important for me at work.” -L1

One early employee highlighted this contrast between early and late employees and emphasized the risks associated with regressing from the corporate purpose in daily decision-making:

“When you hire a lot of talented people, the vision starts to get a bit gnawed and pulled in different directions. For example, when the team faces critical strategic dilemmas such as market expansions or technological upgrades, people tend to become practical and refer back to market goals or similar rather than see the full picture. Whereas I believe it gets increasingly important to return to the vision in such situations to pull one back to reality and remind ourselves of why we are here.” -E10

4.4. Employee Perception of Organizational Growth

Empirical findings reveal three main associations to organizational growth in relation to NorthStar’s purpose implementation: (i) increased communication, (ii) more diverse recruitment, and (iii) increased hierarchies. See Figure 8 for an updated theoretical framework reflecting the dynamic relationship between the three growth factors and purpose implementation.

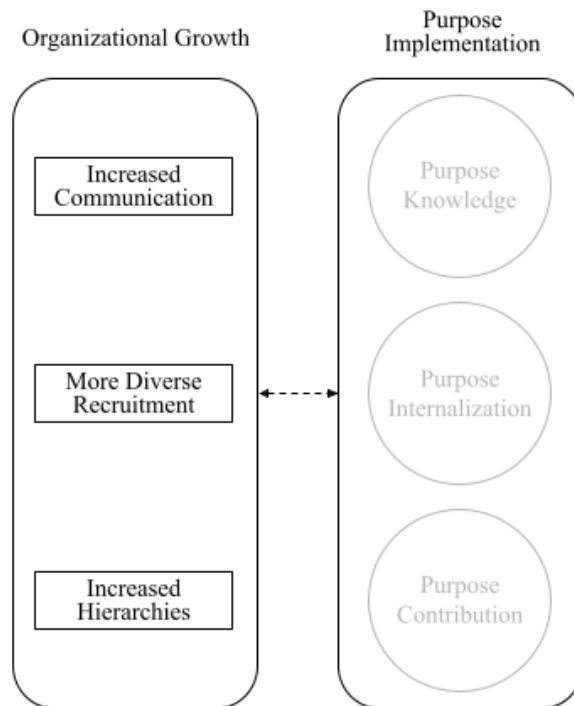


Figure 8. Part of the Theoretical Framework illustrating the relationship between organizational growth and purpose implementation, an extension of Lleo et al.’s (2021) framework.

4.4.1. Increased Communication

Seven interviewees highlighted an overall increase in communications related to the corporate purpose with growth. This increase is also reflected in company documents and observations. For example, NorthStar has continuously emphasized transparent communications between teams and colleagues, where tools like slack have continued to be used in peer-to-peer communication. With growth, these have been utilized in a broader set of applications, with the purpose being a frequently recurring topic for discussion. For example, several employees highlight that the introduction of automatic progress reports on weekly CO2 emissions savings has helped them concretize the overall development towards the corporate purpose.

“To see it [CO2 emissions saved] every week through the slackbot helps me grasp that what we are doing actually makes a difference!” -E4

Existing tools have also been complemented with a wider range of channels and formats to support the introduction of more frequently scheduled formal communication initiatives.

Such activities include the introduction of monthly founder-CEO town halls and bi-annual conferences, often centered on topics related to NorthStar's softer values and corporate purpose. One employee highlights the sustainability dimension of the corporate purpose as a frequent topic in internal events:

"CO2 emissions is the first thing we discuss at conferences and company-wide meetings. This is something that I feel we are doing well." -E13

Observations confirm that the corporate purpose is a recurring theme at these events. However, its use tends to be limited to emphasizing the company's overall strategic direction in motivational speeches made by founders and management rather than being used as a guide for action. At one company conference, for example, the founder referred to the corporate purpose several times during the opening speech. The employees were then asked to break down the company values and discuss how they relate to their daily work. The topic of purpose, however, was absent during the interactive sessions and discussions.

A documented increase of both communications- and sustainability-related roles is seen to have intensified both internal and external communication on purpose, especially with regard to the sustainability element. This is also highlighted in empirics, with one employee explaining that NorthStar is currently ramping up its internal sustainability practices, which is closely tied to the execution of its sustainability element:

"We are in the starting blocks of setting up a process relating to sustainability reporting. The first report will be released next year, so we are currently implementing a system to track our own sustainability footprint." -L8

Most employees stated that the increased internal communication has facilitated improved knowledge and understanding of NorthStar's corporate purpose and made it more top of mind. Several interviewees have described the frequent referral to the long-term vision and larger purpose in founder and management communications as inspirational. Contrasting this view, a few employees have highlighted a large distance between the overall purpose and their daily operations, leading communication on purpose to have the opposite effect and be perceived as demotivational. One employee stated:

“I just think that the gap between vision and reality, or the discrepancy between how we profile ourselves externally versus what we actually do, is too large sometimes.” -E8

4.4.2. More Diverse Recruitment

15 out of 21 interviewees mentioned that the corporate purpose was one of the primary reasons they joined NorthStar. When asked why they applied to NorthStar, two different employees answered:

“I believe it is a sustainable future, what NorthStar aims to do with the sector, which is one thing that is inspiring. Then there is the technological factor. Working with completely new technology, something that really is new tech and disruptive.” -L1

“For me, I believed in the vision, and it made me more confident that this might actually work in the end” -E10

In addition to the purpose, the entrepreneurial growth journey is highlighted as another key aspect in attracting new employees. This was highlighted by one employee with extensive recruitment experience:

“I have interviewed almost 3,000 people now, and there are a few things that have come up in practically all interviews – which is that they want to make the world a little better, want to help build a company, or disrupt an industry. I believe everyone here shares at least one of those key aspects of the purpose” -E6

Another early employee also reflected on this balance between purpose and non-purpose motivators:

“I think most people care about our purpose to a large extent, but how passionate you are depends on the individual. Most are probably here because they want to change the industry and do good for themselves and future generations, but we have many other good attributes as well. For example, we are an innovative and exciting company and also a genuinely good employer.” -E2

Empirics further illustrates how NorthStar was able to attract a broader candidate base when scaling, which was highlighted by 15 interviewees. On this topic, interviewees explain that this particular stage of maturity is associated with a wider range of both intrinsic and extrinsic motivators compared to earlier startup stages. In particular, interviewees have emphasized the upheld entrepreneurial culture combined with greater firm legitimacy and career prospects, as well as lower risk and higher financial compensation compared to joining a young startup. One interviewee highlighted some of the challenges associated with such rapid recruitment:

“How can we grow and yet keep our entrepreneurial culture where everyone feels ownership of the problems they face every day but also the company as a whole? Because that is what you realize when you talk to our first 100 employees. But it does not come as natural when you hire employee number 501 or 502 that they relate to the company and its purpose in the same way.” -L5

Building on this fear, several interviewees noted that the more diverse applicant pool has made recruitment more difficult when scaling:

“If you look at who was applying two years ago versus now when we are becoming more well known. We get more applications from people who would not be a good fit. They see it as an established company, and it has become more difficult to sort out applications as we are scaling. We are also recruiting people from more established industries who have worked in more corporate environments.” -L2

In line with this challenge, several employees highlighted a lack of purpose alignment among newer colleagues. For example, two employees emphasized the disruption and sustainability elements as especially challenging:

“Considering our exponential growth in the last two years, we need to ensure that everyone works towards the same purpose and behaves according to our set values. For example, most people at NorthStar have a huge drive and passion and do not want to take the safe route. But this has become increasingly difficult as we have grown, especially when people come in from larger, more established companies. Whereas those who have been here for a while are used to more visionary thinking” -L6

“Not everyone is as keen on the environmental aspect. Many people probably just think it’s a cool company. I think that the more we grow, the more difficult it gets to find people who match our culture.” -L3

In order to effectively manage the growing inflow of candidates, interview data illustrate that current processes for screening potential candidates are characterized by high levels of autonomy and flexibility. One employee who joined the company right around the time NorthStar’s scaling took off elaborated on this exponential increase in recruitment:

“At one point, we increased the pace of employment drastically and had to increase our level of ambition accordingly. The HR department started working more industrially, and from what had previously been a few people when I started, the department grew huge.” -L5

Empirics further revealed a lack of standardization regarding candidate criteria and selection, both among HR staff and relevant departments. Interviews illustrated significant variances concerning both emphases on and assessment of alignment with the corporate purpose and other personal values and motivations. For example, one of the earliest employees mentioned strong purpose alignment as one of the main criteria for evaluating a candidate:

“I have always highlighted our purpose, and I am very much mission-first when recruiting new staff. I have to understand if they are here because they want to make an impact in society. The question “Why” is the single most important question I ask in an interview to understand how their why aligns with ours.” -E1

Others put less emphasis on alignment with soft values and purpose. Instead, they referred to several individual performance criteria, such as technical expertise, high ambition, or conscientiousness:

“We don’t accept or decline a candidate solely based on the personality tests as we do with the logic tests, since these metrics [relating to logical ability] tend to have a much closer connection to work performance.” -E7

4.4.3. Increased Hierarchies

10 interviewees highlighted increased hierarchies as one of the main factors of organizational growth. Further empirics illustrate how the growing workforce has resulted in more hierarchical layers and increasingly formalized structures and processes.

Empirics illustrate how increased hierarchies have led the founders to become less active in daily operations and instead take on an increasingly symbolic and strategic role at NorthStar, a shift confirmed through both documents relating to the organizational structure and in observations. The less operational role of founders was further emphasized through the difficulty of involving them in this study. Moreover, the founders are documented to put much emphasis on the purpose when making company appearances both internally and externally. This has also been noted by several interviewees who have emphasized the strong connection between the founders and the corporate purpose, as illustrated by one early interviewee:

*“Most have invested in us [NorthStar] because they believe in our founders. The whole foundation is based upon them, as it should be. The founders **are** the vision.” -E6*

In fact, a majority of interviewees pointed out that it is the founders who are the main drivers of corporate purpose, whereas top management rather fills other functions such as setting and following up on short-term goals. Further investigating the new management layers, large variations can be found in interviewees’ perceptions of managers’ connection to the corporate purpose. These differences in answers are noted across different departments and offices but also on an individual level depending on the specific manager(s) in question. Some interviewees stated that managers incorporated the purpose well in their work, whereas others highlighted clear room for improvement. One early employee stated:

“My managers have a very clear vision and clear leadership relating to where we are going and why. The “why” is especially important to remember as we have a very strong why at this company, and I think it is maintained very well [by management].” -E12

One member of top management provided their perspectives on purpose’s presence in strategic and daily decision-making:

“However, we rarely prioritize based on impact on sustainability in such discussions. (...) Generally, we tend to have a stronger focus on customers and the financial impact in the short term but are more sustainability-focused in long-term discussions. -E13

Another interviewee reflected on this topic with a more critical outlook:

“Top management and general managers have the responsibility to transfer the vision to the rest of the business by translating it into actual delivery areas. It is a super difficult task, and I think we are doing a fairly good job. But I think everyone can take a more active role in setting the strategy and not being too reactive to the founders’ vision and instead become more involved in setting an individual vision for each respective department. We all just keep on rushing forward, but I think it’s about time top management become stronger sub-visionaries within the company.” -E6

The need to integrate the purpose into lower seniority levels has been highlighted in several interviews. An early employee elaborated on this perspective and emphasized the need to broaden and decentralize NorthStar’s visionary leadership:

“I think visionary leadership has become even more important as the founders are becoming less and less operational and are no longer able to directly interact with all employees on an individual level. But every employee must become a culture bearer in some way to ensure that the vision is present at all management levels and across the entire organization over time. It is important to understand and share the purpose so that it is put into one’s actions by default.” -E10

The apparent difference in mentality with regard to how soft values and corporate purpose are approached is further highlighted by one early interviewee who has witnessed a growing skepticism towards the more visionary approach as exemplified by the founders. The interviewee further raised concern regarding growing internal division and a “us versus them” mentality, which risks harming both the organizational culture and the corporate purpose over time.

“We have to get rid of the narrative that it [corporate purpose and other soft values] is fluff – people underestimate the importance of the vision. Seeing the trends, sometimes I think the frustration comes from the complexity of what we do. But instead of questioning the industry, you question our purpose – you have to be very aware of that, so it doesn’t spread.” -E10

The interviewee continued to explain:

“It is important to remember that we are all leaders in the organization. Even if it’s tough, it is important not to fall into that narrative yourself. I know if I would show that attitude a couple of times in a meeting – it will spread.” -E10

Several other interviewees problematized the highly visionary approach taken by the founders, stating that both leadership and the overall strategy sometimes lack operational substance, which leads to frustration and demotivation. One employee highlighted these contrasting perspectives between operational management and more visionary leadership by stating:

“I think that they [founders] are embodying the purpose. Maybe even too much sometimes. They are very vision-driven, whereas we are very much hands-on with operations and the problems that arise. I wish those two perspectives were more aligned. Sometimes you feel that you lack any form of support or understanding from above. (...) My feeling is that the founders are not always involved.” -E8

Further review of the emerging structures reveals an overall disconnect between NorthStar’s newly established processes and their corporate purpose, which has been noted across observations, documents, and interviews. This was highlighted by one early employee who stated that NorthStar’s operational activities and measures are perceived as being very distant from the corporate purpose:

“I haven’t seen the vision so much anchored within the organization. But I guess I haven’t really looked for it either. I’m more of a practical person, so I like to see numbers and actual data points.” -E4

This was echoed by another senior manager who stated that insufficient integration of purpose in operational targets and Key Performance Indicators (KPIs) has made it difficult to measure or track any progress towards NorthStar's overall purpose over time:

“They [soft values] are part of all conferences and internal workshops, etc. and we are working quite a lot with the values in particular. But to continuously measure them – not as far as I know, at least.” -E10

Another employee who recently joined NorthStar expressed personal disappointment regarding the company's progress concerning the sustainability element:

“There is no one tracing or trying to establish statistics concerning our own climate impact. And then it does not matter how transparent the company is if you don't have data on it. It will take quite a lot of time, but given that we want to be a frontrunner in this, we should really start doing it.” -L3

4.5. Summary of Empirics

Empirics reveal that all interviewees can explain NorthStar's purpose in their own words, referring to the knowledge dimension of purpose implementation. Interviewees understand the different elements of the purpose and further highlight that the corporate purpose definition is one of the few things that has remained constant with growth. Corporate purpose is frequently mentioned in internal communication channels such as slack, at conferences, in founder speeches, as well as in external communications regarding PR-related documents and recruitment ads.

All interviewees agree and identify with at least one purpose element, referring to the internalization dimension of purpose implementation. However, there are apparent differences in terms of how decisive a factor the corporate purpose was when applying to NorthStar. Differences in answers are primarily attributed to the more diverse recruitment with growth, resulting in an increasingly diverse workforce at NorthStar over time.

Most interviewees do not perceive the corporate purpose to be an integral part of their daily work, referring to the contribution dimension of purpose implementation. Moreover, large

discrepancies can be found across different interviewees, especially with regard to employee tenure, as those joining later express feeling a weaker connection to the purpose in their day-to-day tasks. Moreover, empirical data indicate that increased hierarchies have inhibited the purpose contribution over time. This shift is primarily associated with the introduction of new management levels and an increased emphasis on short-term objectives and KPIs, which are perceived as being misaligned with NorthStar's purpose. Thus, the connection to purpose and associated visionary leadership is becoming increasingly scarce and is perceived as mainly limited to the founders and a small clique of early employees.

To summarize, empirics highlight how the employee perception of NorthStar's purpose implementation has changed over time, with distinct differences in answers concerning organizational tenure. An overview of empirics can be found in Table 5 and reviewed further in Appendix 6.

	Exemplary Quotes	Deployed By
Purpose Knowledge		
Can explain the purpose in their own words (min. one element)	<i>"I believe it is a sustainable future, what NorthStar aims to do with the sector, which is one thing that is inspiring. Then there is the technological factor: Working with completely new technology, something that really is new tech and disruptive."</i> -L1	21/21 Interviewees: E1, E2, E3, E4, E5, E6, E7, E8, E9, E10, E11, E12, E13, L1, L2, L3, L4, L5, L6, L7, L8
Communication has increased with growth	<i>"It is only during the last year that we have started to talk more concretely about soft values [in internal channels, conferences, and founder speeches]"</i> -E7	7 Interviewees: E4, E6, E7, E9, L3, L4, L8 Documents, Observations
Purpose Internalization		
Agrees & identifies with the purpose (min. one element)	<i>"I am deeply involved in a climate perspective on sustainability (...) 1+1=3 is my view on sustainability"</i> -E2	21/21 Interviewees: E1, E2, E3, E4, E5, E6, E7, E8, E9, E10, E11, E12, E13, L1, L2, L3, L4, L5, L6, L7, L8
Agrees & identifies with all three purpose elements	<i>"Not everyone is as keen on the environmental aspect. Many people probably just think it's a cool company. I think that the more we grow, the more difficult it gets to find people who match our culture."</i> -L3	5 Interviewees: E1, E5, E10, E11, L2

Purpose was a main reason for joining NorthStar (min. one element)	<i>“For me [on why joined NorthStar], I believed in the vision, and it made me more confident that this might actually work in the end” -E10</i>	15/21 Interviewees: E1, E2, E3, E4, E5, E6, E9, E10, E11, E12, E13, L1, L2, L3, L5
More diverse recruitment with growth	<i>“If you look at who was applying 2 years ago versus now when we are becoming more well known, we get more applications from people who would not be as good fit.” -L2</i>	15 Interviewees: E1, E2, E4, E6, E7, E8, E9, E10, E11, L2, L3, L4, L5, L6, L7

Documents

Purpose Contribution

Sometimes or frequently reflects on the purpose in daily work (min. one element)	<i>“The vision feels too far away to guide my daily work. It doesn’t help with prioritizing what is most important for me at work.” -L1</i>	12 Interviewees: E1, E3, E6, E7, E8, E9, E10, E11, E12, E13, L2, L6
Hierarchies have increased with growth	<i>“Before I could just send contracts directly to the customer for signing. Now we have a process internally where it has to be approved by four different stakeholders before we can send it out.” -E9</i>	10 Interviewees: E3, E4, E6, E7, E9, E11, L1, L3, L6, L7

Documents

Table 5. Overview of empirics.

5. Analysis

This section covers the main takeaways gained from the empirical data, divided into three main topics in line with the research question and theoretical framework. First, potential changes in the three purpose dimensions (i.e., purpose knowledge, internalization, and contribution) are assessed using a purpose breadth and depth analysis and thereafter set in relation to the contextual growth factors. Second, a broader discussion on identified cross-dimensional relationships between the growth factors and purpose dimensions is presented, further exploring the interconnectedness and two-way relationships between organizational growth and purpose implementation. Finally, a combined assessment of the three purpose dimensions is presented to understand the full implications organizational growth has had on NorthStar's overall purpose implementation over time.

5.1. Identification of Main Contextual Growth Factors

Empirics show that organizational growth plays an important role in shaping the employee perception of purpose implementation over time through three main contextual growth factors, as illustrated by the one-way arrows in Figures 11, 13, and 15. Consistent with previous research on entrepreneurial growth theories, an increasing degree of formalization in structures and processes has characterized NorthStar's scaling (Sine, Mitsuhashi & Kirsch, 2006; Zaech, Baldegger, 2017; Kaehr Serra, Thiel 2019). While the company has maintained a high degree of autonomy in many regards, empirics illustrate increased communication and increased hierarchies with growth. The third identified growth factor is closely connected to NorthStar's rapidly growing workforce characterized by greater diversity with regard to professional experiences and backgrounds, defined as more diverse recruitment. All three identified growth factors align with previous literature on firm scaling (ibid.) and have been added to the theoretical framework as illustrated in Figure 9. Henceforth, the nature of the relationships between the growth factors and purpose implementation, as captured in empirical data, will be visualized using the following colors: green for positive, yellow for neutral, and red for negative. Noteworthy, these relationships do not reflect the general strength of purpose implementation but merely indicate relative change over time.

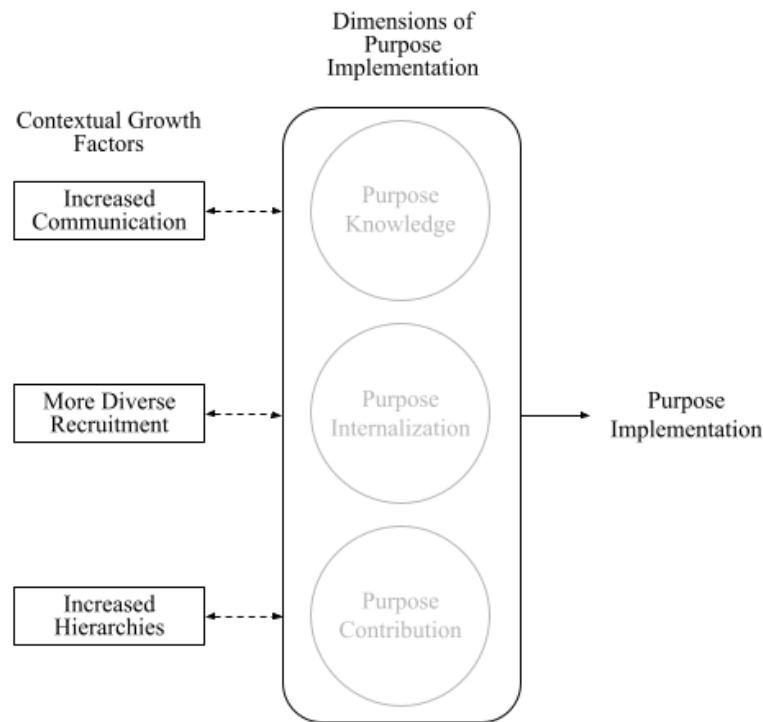


Figure 9. Theoretical Framework illustrating the relationship between organizational growth and purpose implementation.

To gain a deeper understanding of the dynamics explored in the research question and in line with the interpretivist epistemology, the authors have also investigated possible two-way relationships and other interconnections between the different variables in the theoretical framework, covered in Section 5.3. Lastly, these three growth factors should not be viewed as an exhaustive list of factors that may influence purpose implementation over time. Instead, they aim to map the most important effects that have shaped employee perception of NorthStar’s purpose implementation over time and are all closely tied to organizational growth.

5.2. Dimensions of Corporate Purpose Implementation

5.2.1. Purpose Knowledge: The Role of Increased Communication

Purpose knowledge relates to how employees are informed about the purpose elements (Lleo et al., 2021). While the corporate purpose and the broader organizational culture are closely interrelated concepts, George et al.’s (2021) dual definition of corporate purpose is used to identify NorthStar’s corporate purpose, which consists of three main elements: disruption,

sustainability, and tech. These three purpose elements have been confirmed in both company documents and across all 21 interviews, indicating strong overall purpose knowledge at NorthStar.

Moreover, empirics find that organizational growth has resulted in increased communication on NorthStar's purpose which has facilitated purpose knowledge among employees over time. Consistent with previous findings on startup growth, empirics reveal that NorthStar has adopted more structured and frequent ways of communicating the corporate purpose over time through increased focus on formalizing processes (Sine, Mitsunashi & Kirsch, 2006; Kaehr Serra, Thiel, 2019). Based on empirical findings, the increased communication efforts can be divided into two; internal and external communications. Internal communication efforts in terms of founder speeches have increased the number of times employees are exposed to corporate purpose elements. Empirics illustrate a strengthened connection between the purpose and the founders, with several interviewees referring to the founders as being complete embodiments of NorthStar's purpose. This connection is in line with previous theory and the increasingly strategic role of founders with growth (Abebe, Alvarado, 2013). Several interviewees further highlight the purpose as being a highly prioritized topic at company conferences. This was confirmed in observations and documents, with the founders often highlighting the purpose elements at the start of large events. These empirical findings are much in line with previous literature on sustainable entrepreneurship, as the personal commitment by management is exemplified through the visionary leadership provided by NorthStar's founders as motivation for ethical and sustainable behaviors (Hitt et al., 2011; Gast, Gundolf & Cesinger, 2017). Empirics further reveal how internal communication channels have been adopted in increasingly diverse ways to communicate corporate purpose more frequently to the whole organization. For example, the slackbot communicating CO2 savings were highlighted by several interviewees as being an important reminder about the purpose on a weekly basis. Overall, empirics indicate that the increased internal communication on purpose has facilitated purpose knowledge among employees over time. External communication efforts have also increased awareness among potential new employees already before starting, highlighted as a key success factor in ensuring strong purpose knowledge among new recruits. Documents have further revealed that purpose-related aspects are mentioned in recruitment ads. Furthermore, the intense communication of corporate purpose across social media, the website, and other PR-related

documents are frequently shared in internal channels, which is seen to enhance the understanding of NorthStar’s purpose for both potential and existing employees.

Moreover, empirics illustrate that there is a fine balance in communication, as too much information may have a contradictory effect, i.e., that employees feel less informed despite being exposed to more information. For example, one employee raised concerns regarding NorthStar’s internal sustainability efforts, while other interviewees and documents reveal that such initiatives have been communicated extensively. Thus, empirics highlight the need to monitor information overload with caution as it may deteriorate attention from the purpose and thus impact purpose knowledge negatively.

In summary, interview data indicates both a broad and deep knowledge of the corporate purpose, as 21 out of 21 interviewees could describe NorthStar’s purpose and its three elements in their own words (Lleo et al., 2021). Purpose knowledge has been facilitated by increased internal and external communication efforts with growth, making it easier for employees to understand and remember the purpose over time. Henceforth, increased communication has influenced employees’ perceived purpose knowledge to become increasingly deep and broad at NorthStar over time, as depicted in Figure 10. To summarize, organizational growth has played a role in strengthening the employee perception of purpose knowledge at NorthStar over time, mainly through increased communication, as visualized in Figure 11.

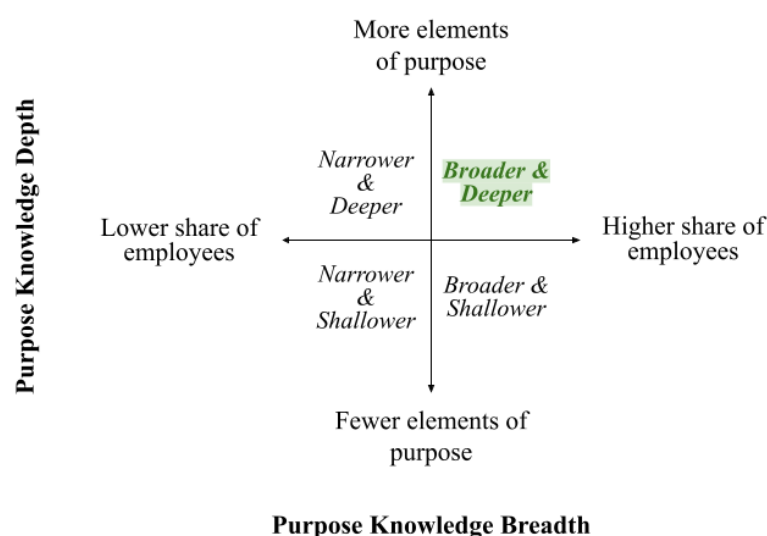


Figure 10. Assessment of purpose knowledge strength over time using depth and breadth analysis.

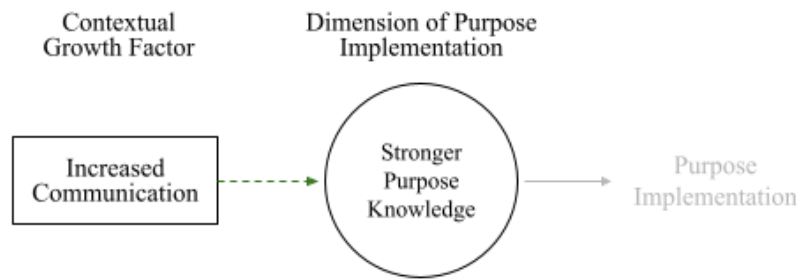


Figure 11. Part of the Theoretical Framework illustrating the relationship between organizational growth and purpose knowledge.

5.2.2. Purpose Internalization: The Role of More Diverse Recruitment

Purpose internalization relates to the extent that employees feel motivated and excited about corporate purpose (Lleo et al., 2021). Empirics illustrate how a broader candidate base combined with a lack of purpose alignment when recruiting has contributed to more diverse recruitment with growth, which has played a significant role in the perceived purpose internalization becoming shallower over time.

Overall, all interviewees were considered to have internalized at least one of the purpose elements (See Table 5), illustrating that NorthStar has maintained a relatively broad internalization of purpose across the organization with growth (Lleo et al., 2021). For example, 15 interviewees referred to the corporate purpose being one of the primary reasons why they applied to NorthStar. However, a difference in emphasis, or relative importance, of the different purpose elements was observed across interviews, and only five interviewees demonstrated alignment with all three purpose elements, thus indicating a lack of internalization depth.

Empirics further illustrate how NorthStar has been able to attract a larger candidate base with growth, which was confirmed by employees with shorter tenure, who stated that they would not have joined NorthStar during an earlier, more risky phase. These empirical findings are in line with previous research that attributes small firm recruitment's challenging nature to a lack of legitimacy, limited financial resources, and unclear role responsibilities (Cardon & Stevens 2004). On the other end, several early employees emphasized their personal role in

creating many of the softer values and practices that define NorthStar today, which naturally improves alignment and motivation connected to purpose. Empirics further highlight the founders' early vision and mission as key factors in decreasing the risks associated with startups (Ouimet, Zarutskie, 2014), thereby attracting early employees to NorthStar. This is not only in line with previous literature on firm scaling (Sine, Mitsuhashi & Kirsch, 2006; Beckman, Burton, 2008), but further illustrates how NorthStar's purpose was critical in attracting the clique of employees who are now seen as visionary leaders (Cardon, Stevens, 2004).

Moreover, empirics reveal how NorthStar's recruitment is characterized by high levels of autonomy, resulting in significant variances concerning both emphasis on, and assessment of, purpose internalization when selecting candidates. While the lack of formalization and processes is commonly referred to as the main characteristic of a startup (Sine, Mitsuhashi & Kirsch, 2006; Kaehr Serra, Thiel, 2019), these findings contrast previous research pointing to a larger emphasis on alignment with softer values in small-firm recruitment (Cardon, Stevens, 2004).

Thus, empirics further illustrate how tenure could be a key contributing factor to a weakened purpose alignment depth over time. The lack of depth in purpose internalization among employees with shorter tenure is also addressed by several earlier employees stating that it has become more difficult to ensure deep purpose alignment among new recruits from established industries, for example. Several interviewees emphasized that an increased purpose internalization could improve individual commitment and collaboration across the organization. For example, one interviewee highlighted the risk of employee demotivation if only one element of the corporate purpose is internalized. Several other interviewees expressed concern for increasing sub-cultures and broader internal division and their potential negative influence on purpose internalization in the long term. Henceforth, more diverse recruitment has enabled employees' perceived purpose internalization to remain broad yet increasingly shallow at NorthStar over time, as depicted in Figure 12.

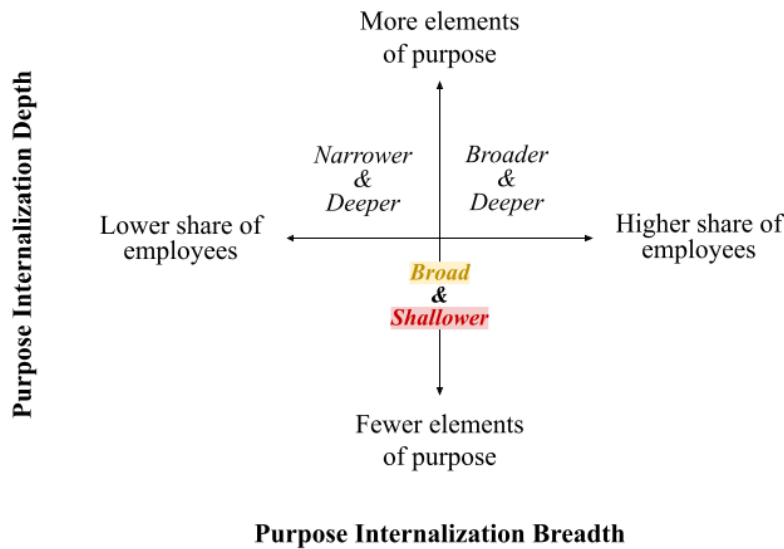


Figure 12. Assessment of purpose internalization strength over time using depth and breadth analysis.

Analyzing NorthStar’s recruitment over time illustrates how the company has attracted a larger pool of potential candidates with a broad and increasingly shallow internalization of purpose when scaling, which has been combined with a lack of alignment on purpose in the recruitment process. Empirics further illustrate that early employees demonstrate a deeper purpose internalization than those who joined later. This trend is observed across the organization also among top management. A weaker purpose internalization among members of top management thus helps explain the observed differences in purpose internalization among individual members of management. Therefore, empirical findings suggest that purpose internalization increases with organizational tenure rather than seniority, as previously suggested by Gartenberg, Prat & Serafeim (2019). However, long tenure often equals higher seniority, hence the two variables are closely interrelated. Considering the lack of adjustment for tenure in Gartenberg, Prat & Serafeim’s (2019) study, there is a possibility that these findings on seniority are in fact associated with tenure. To summarize, organizational growth has played a role in weakening the employee perception of purpose internalization at NorthStar with growth, mainly through more diverse recruitment, as visualized in Figure 13.

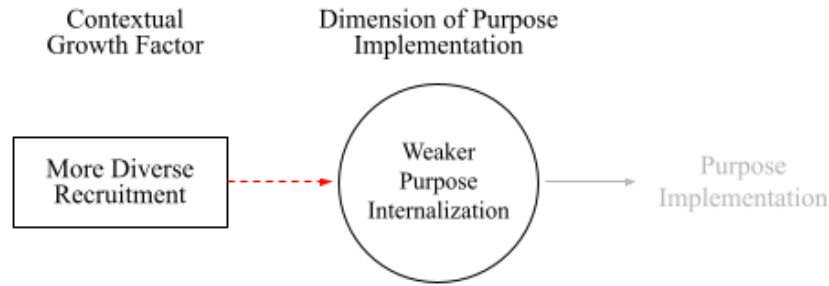


Figure 13. Part of the Theoretical Framework illustrating the relationship between organizational growth and purpose internalization.

5.2.3. Purpose Contribution: The Role of Increased Hierarchies

Purpose contribution relates to the extent that employees feel their daily work contributes to the corporate purpose (Lleo et al., 2021). Empirics indicate that organizational growth has led to both hierarchical levels and more formalized processes, which is found to play a vital role in the perceived purpose contribution becoming weaker over time at NorthStar.

Empirics reveal quite substantial differences in perceived purpose contribution across the organization. Some interviewees pointed to the corporate purpose as one of the main reasons they wake up and go to work every morning. In contrast, others highlighted that they feel detached from the overall purpose in their daily work, arguing that it is mainly a task for founders and top-level management. The largest difference in perceived purpose contribution has been noted with regard to tenure. People who have been with NorthStar for a shorter time tend to focus less on the larger purpose on a daily basis than employees with longer tenure. Later employees seem not to understand the point of doing so, whereas early employees highlight the importance of constantly returning to the purpose to guide daily decision-making.

As highlighted in empirics, and confirmed across documents and observations, NorthStar has undergone several reorganizations in the past years, which has led to increased hierarchical layers and reporting. These empirical findings demonstrate strong parallels to the key characteristics of a scaling firm (Sine, Mitsuhashi & Kirsch, 2006; Zaeck, Baldegger, 2017; Kaehr Serra, Thiel 2019; Boeker, Wiltbank, 2005), and the evolving role of founders in scaling startups (Abebe, Alvarado, 2013).

Empirics illustrate that NorthStar's purpose is largely associated with its founders and a small clique of early employees who were continuously referred to as "visionaries" in interviews, some of whom are also part of top management. This relates to previous findings on sustainable entrepreneurship, indicating that NorthStar's corporate purpose is primarily driven by early management's personal commitment (Hitt et al., 2011; Gast, Gundolf & Cesinger, 2017). Empirics further highlights contrasting perspectives on operational management versus visionary leadership across the organization. Some interviewees stated that the visionary leadership lacks operational substance and thus has caused personal frustration and de-motivation, whereas others highlighted the need for more visionary thinking across all hierarchical levels. A growing problematization of strong commitment towards the purpose not only risks harming the organization's overall purpose-drivenness, but also NorthStar's role as a sustainable entrepreneur if not replaced by other proactive motivations such as a strive for strategic advantage (ibid.). Addressing this difference in mentality, several interviewees noted a growing skepticism towards the visionary approach as exemplified by these "visionaries". One interviewee voiced serious concern for a growing "us versus them" mentality and the risk of growing divisions within the company. Further drawing upon previous entrepreneurship literature, this clash between old and new values and norms could be an example of "growing pains", commonly associated with new hierarchical structures in scaling firms (Kaehr Serra, Thiel 2019). Moreover, the nature of these rising tensions is closely connected to the concept of organizational ambidexterity (Hitt et al., 2011), which illustrates the need for alignment and balance between the organizational modes of exploration and exploitation in a growing firm, as previously highlighted by e.g. Mathias, Mckenny & Crook (2018). At NorthStar, visionary thinkers are thus perceived to be synonymous with the exploration mode, whereas operational management is closely connected to the exploitation mode, which might trigger organizational tensions when these modes are not balanced.

Moreover, empirics indicate that emerging structures do not mirror the purpose, as noted by several interviewees highlighting that purpose elements are largely not part of KPIs or targets. Previous findings by Rey, Bastons & Sotok (2019) highlight the risk of misaligned measurement redirecting focus away from the purpose, which is indicated by interviewees who see non-purpose-related financial targets as more important for short-term operations.

Moreover, further applying a purpose perspective to the documented shift from informal and autonomous camaraderie to more formal management at NorthStar, this development closely resembles Gartenberg, Prat & Serafeim's (2019) characterization of purpose-driven firms. Empirics illustrate how the early autonomous working methods (purpose-camaraderie) and the close presence of founder visionaries (purpose-clarity) have become increasingly substituted by new levels of management and structures characterized by lack of purpose alignment with growth (explored in-depth in Section 5.2.2.), where the purpose-clarity relies on a small clique of visionaries. By applying this theoretical lens to the empirical data, NorthStar's purpose-camaraderie and purpose-clarity are considered to have suffered from an increase in hierarchies, which adds further nuance to the analysis of purpose contribution. This development contradicts previous recommendations by Gartenberg, Prat & Serafeim (2019), who have highlighted the need for increased purpose-clarity in larger organizations with a higher degree of formalization, which also helps explain the increased organizational tensions at NorthStar.

Henceforth, increased hierarchies have influenced employees' perceived purpose contribution to become both narrower and shallower at NorthStar over time, as depicted in Figure 14. To summarize, organizational growth has played a role in weakening the employee perception of purpose contribution at NorthStar over time, mainly through increased hierarchies, as visualized in Figure 15.

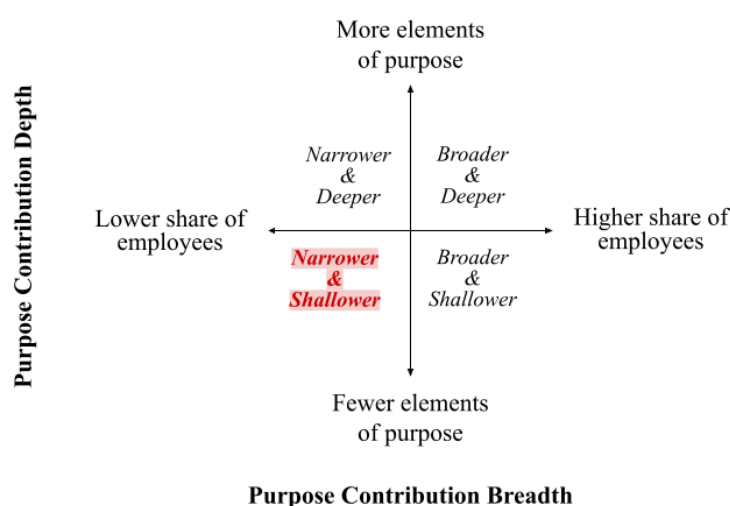


Figure 14. Assessment of purpose contribution strength over time using depth and breadth analysis.

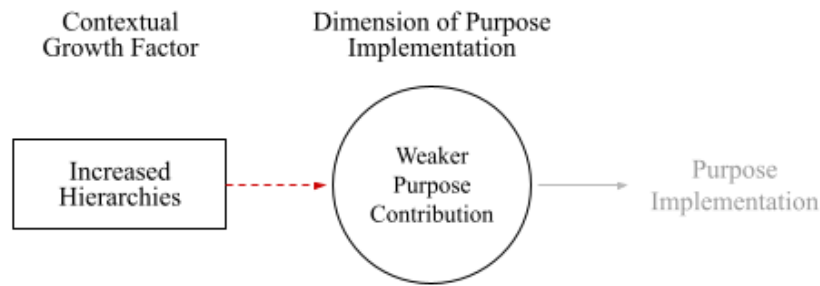


Figure 15. Part of the Theoretical Framework illustrating the relationship between organizational growth and purpose contribution.

5.3. Interconnectedness and Cross-Dimensional Relationships

5.3.1. Interconnectedness Between Purpose Implementation and Growth

In order to explore the dynamic relationships between purpose implementation and organizational growth, the theoretical framework also includes potential two-way relationships and cross-dimensional dynamics, as visualized in Figure 16. While this could not be explored extensively within the scope of this study, several empirics illustrate such relationships. For example, empirics indicate that the identified growth factors are related to multiple dimensions of purpose to some extent, further strengthening the interconnectedness between the growth factors and purpose dimensions. Connections have also been identified between increased communication, increased hierarchies, and all three purpose dimensions, whereas diverse recruitment only has been noted to influence purpose internalization and contribution. Further, several interviewees have highlighted the risks associated with a lack of purpose internalization among managers and an increased need for structures to ensure operational alignment, spurring further tensions between operational and visionary perspectives. This points to purpose internalization's potential role in shaping organizational growth through increased communication and hierarchies. This relationship is also reflected in research by Cady et al. (2011), who state that strong implementation of purpose reduces the need for overall structures and vice versa.

5.3.2. Cross-Dimensional Relationships

Empirics reveal further relationships between the different dimensions of purpose and growth, which are illustrated in Figure 16. For example, empirics reveal that employees with

lower purpose internalization and contribution also showed less overall interest in the purpose. In such cases, the corporate purpose was commonly referred to as something intangible and fluffy. This concern was confirmed by several interviewees who noted growing tendencies across the organization in viewing purpose as a topic reserved for founders and top management while lacking operational relevance. This illustrates how a lack of internalization and contribution of purpose might impact employee motivation and therefore risks reducing purpose knowledge over time.

Previous research has illustrated the importance of strong purpose internalization among managers as it may cause ripple effects on the overall degree of purpose knowledge and contribution across the organization (Gartenberg, Prat & Serafeim, 2019). Through visionary leadership, managers play a critical role in purpose implementation (Gupta, MacMillan & Surie, 2004; Kearney et al., 2019). They also influence emerging processes and structures associated with recent startup scaling (Boeker, Wiltbank, 2005). Further research on the topic has not only emphasized the importance of internalization among top managers but has highlighted middle managers as perhaps having an even more critical role in purpose implementation (Gartenberg, Prat & Serafeim, 2019). In line with this research, empirics indicate that a decrease in purpose internalization depth in combination with increased hierarchies has influenced the weakening of the purpose contribution as a consequence. Thus, the perceived corporate purpose has become less present in newly introduced formal structures and processes, which may have caused ripple effects on both purpose internalization and contribution across the organization with growth.

Moreover, several interviewees state their understanding of both the industry and NorthStar's solutions has improved since joining the company. This illustrates how purpose knowledge increases with tenure but also illustrates a positive influence on the other purpose dimensions as well. Some interviewees have noted a gradual change in personal values towards the corporate purpose, both personally and in other colleagues who have joined the company. This is one example of how purpose knowledge may contribute positively to employees' sense of internalization and contribution over time, thus shedding light on several cross-dimensional dynamics between the different purpose dimensions and further strengthening the relationship between purpose implementation and tenure.

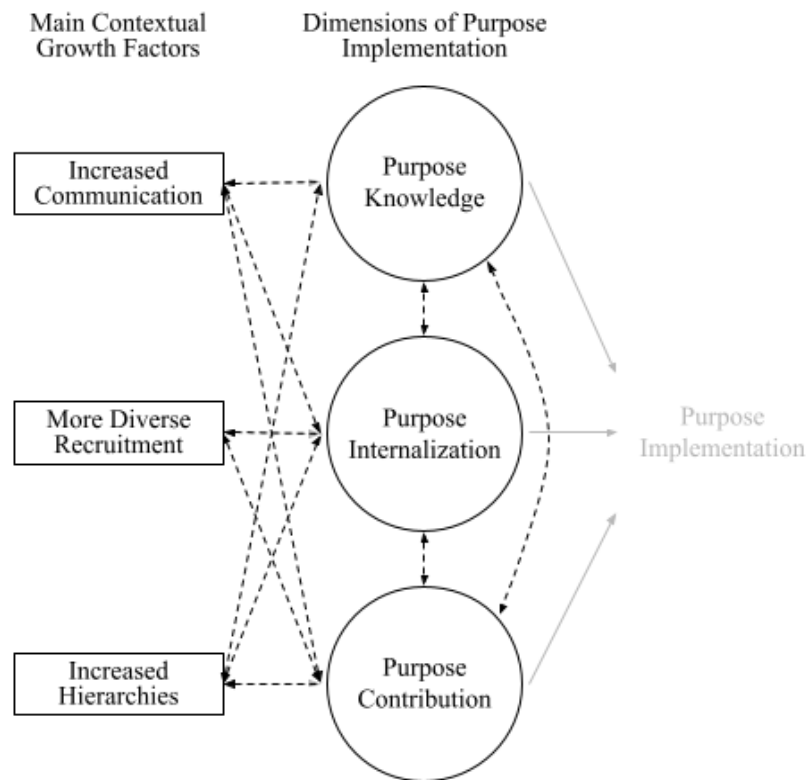


Figure 16. Part of the Theoretical Framework illustrating the relationships between organizational growth and purpose implementation.

5.4. Overall Purpose Implementation and Organizational Growth

Following the theoretical framework, overall purpose implementation strength is evaluated both in terms of each dimension's individual strength and their cross-dimensional consistency (Lleo et al., 2021). Based on empirical findings at NorthStar, employees perceive purpose knowledge to have become stronger over time, while the purpose internalization and contribution dimensions are perceived to have become weaker.

These growing imbalances between the purpose dimensions also provide explanatory value for the increased organizational tensions between visionary and operational perspectives at NorthStar. For example, empirics illustrate how communication on purpose knowledge is associated with employee demotivation if the distance from operations is perceived as being too large. This highlights the importance of balancing the three purpose dimensions in order to avoid purpose inconsistencies and further illustrates the interconnectedness between the

dimensions. To summarize, empirics reveal that NorthStar has gone from being perceived as a purpose-driven organization with a strong purpose implementation at the startup phase to having a weaker perceived overall implementation of purpose in the startup scaling phase, as illustrated in Figure 17. These findings strengthen purpose’s critical role in startups, as stated by Rode & Vallaster (2005), and are also consistent with previous findings that young firms demonstrate a stronger sense of purpose than larger, more established firms (Gartenberg, Prat & Serafeim, 2019).

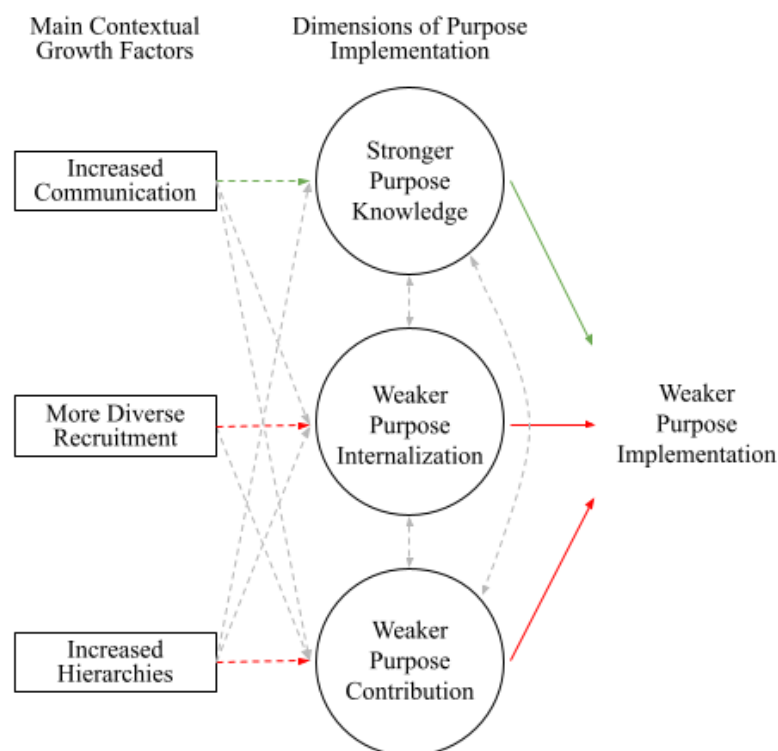


Figure 17. Part of the Theoretical Framework illustrating the relationships between organizational growth and purpose implementation. Interconnections not covered in detail are illustrated using gray dotted lines.

5.5. Summary of Analysis

Exploring the relationship between purpose implementation and organizational growth, the authors have applied the extended theoretical framework alongside other theoretical perspectives to the main empirical findings. Organizational growth is seen to play a significant role in the employee perception of NorthStar’s implementation of purpose over time. Based on empirical findings and in line with previous literature on firm scaling, three contextual growth factors have been identified: Increased Communication, More Diverse

Recruitment, and Increased Hierarchies. Empirics reveal that these growth factors have influenced the perception of NorthStar's employees in several key ways: deeper and broader purpose knowledge, maintained broad yet shallower purpose internalization, and shallower and narrower purpose contribution. By assessing these purpose dimensions collectively, NorthStar's perceived overall purpose implementation has become weaker when transitioning from a startup to a scaling startup.

In summary, these findings shed light on some of the dynamics associated with purpose implementation in relation to organizational growth and other cross-dimensional relationships. Moreover, empirics show NorthStar has gone from being a highly purpose-driven startup to becoming less purpose-driven when scaling.

6. Conclusion and Discussion

This section summarizes the most crucial study findings relating to what role organizational growth plays in the employee perception of purpose implementation in a startup when scaling. An adapted theoretical framework is presented in line with a more dynamic approach to purpose implementation and incorporating a temporal perspective. Furthermore, the most relevant theoretical and practical contributions are presented in line with the main findings. Finally, the limitations of the study will be discussed alongside setting the scene for future research on related topics.

6.1. Conclusion

This study explores the relationship between organizational growth and the implementation of purpose in a startup over time by answering the following research question:

What is the role of organizational growth in the employee perception of corporate purpose implementation at a startup when scaling?

This study finds that organizational growth plays a significant role in the employee perception of corporate purpose implementation from a temporal perspective. Empirical findings further illustrate that the employee perception of purpose implementation at a startup has become weaker when scaling. This shift is closely associated with three main growth factors: increased communication, more diverse recruitment, and increased hierarchies. These growth factors have weakened the perceived purpose internalization and purpose contribution, whereas the perception of purpose knowledge has become stronger. Overall, a growing imbalance between the three purpose dimensions and a weaker overall implementation of purpose has been noted. Empirical findings thus shed light on how organizational growth has negatively influenced employees' perception of purpose implementation, leading the case company to become less purpose-driven when transitioning from a startup to a scaling startup. In summary, empirics shed light on several novel relationships between purpose implementation and organizational growth, and other cross-dimensional dynamics over time.

6.2. Adapted Theoretical Framework

Incorporating the main findings from the study, a final version of the theoretical framework has been developed, as depicted in Figure 18. This extended theoretical framework is used to analyze the relationship between purpose implementation and organizational growth in a startup when scaling. Empirics reveal three main contextual growth factors that have played a key role in shaping employee perception of purpose knowledge becoming stronger over time, whereas purpose internalization and contribution have become weaker. In addition to the direct relationship between the growth factors and purpose dimensions, empirics have revealed several cross-dimensional dynamics that shed light on the interconnectedness between organizational growth and purpose implementation. While these relationships have not been explored extensively in this paper, these interconnections shed light on the complex dynamics associated with purpose implementation.

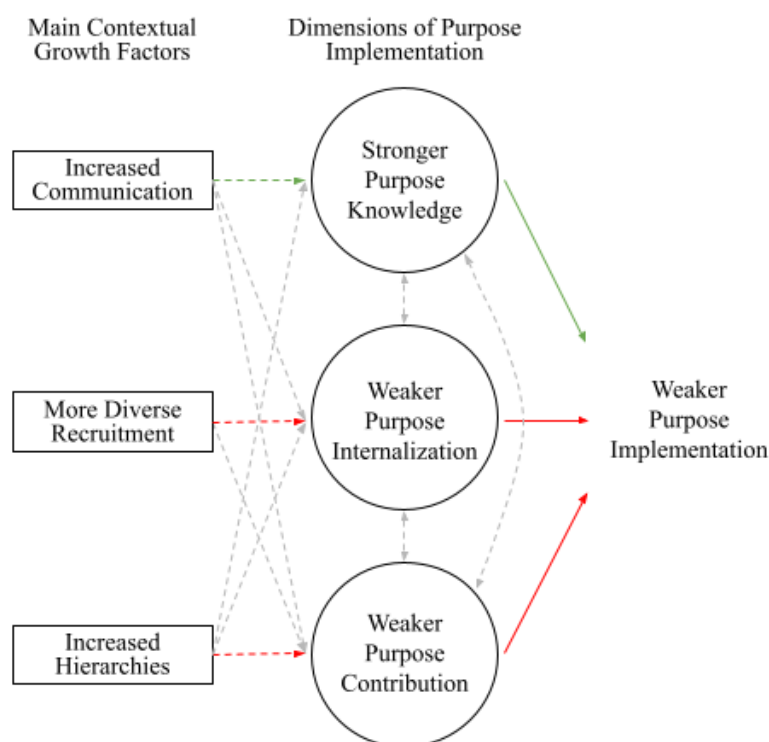


Figure 18. Adapted Theoretical Framework illustrating the relationships between organizational growth and purpose implementation.

6.3. Theoretical and Empirical Contributions

This paper's theoretical and empirical contributions are fourfold. Firstly, the authors have introduced purpose implementation in a new empirical setting through a case study

characterized by a strong purpose, high growth, and an entrepreneurial context. By complementing existing research on purpose implementation with key literature on entrepreneurial growth, the study has provided key empirics on the relationship between purpose implementation and growth from an employee perspective. These empirical insights respond to earlier requests made by both purpose scholars (Gartenberg, Prat & Serafeim 2019; George et al., 2021; Lleo et al., 2021; von Ahsen, Gauch, 2022) and entrepreneurship researchers (Hitt et al., 2011; Markman et al., 2016; Gast, Gundolf & Cesinger 2017). Moreover, the study has applied George et al.'s (2021) definition of purpose encompassing both duty- and goal-based views, and thus contributed with further empirics to this dual perspective of purpose.

Secondly, by bridging the purpose and entrepreneurship fields, the study has made key theoretical contributions to both research fields by introducing entrepreneurship findings to the corporate purpose field and vice versa. The proposed theoretical framework extends the work of Lleo et al. (2021) by adding a layer of organizational growth. The study has identified three primary factors of organizational growth, which are perceived to have a strong relationship with purpose implementation. Moreover, by applying the extended theoretical framework, several two-way relationships between organizational growth and the purpose implementation dimensions are identified, which previously have been overlooked and reflected as largely separate and static constructs.

Thirdly, the authors complemented the theoretical framework with a more extensive breadth and depth analysis of each purpose dimension, as inspired by George et al. (2021). By drawing upon key insights from both Lleo et al. (2021) and George et al. (2021), this study thus makes important theoretical and empirical contributions and reveals key empirics in bridging these two perspectives. These new findings on employee internalization contribute important insights into purpose implementation as an ambiguous phenomenon, especially with regard to leadership and management studies. The study provides key empirics illustrating that organizational growth has influenced both purpose breadth and depth. For example, empirics indicate that purpose internalization and contribution depth are closely associated with employee tenure. Moreover, this contrasts previous findings by Gartenberg, Prat & Serafeim (2019), suggesting that purpose internalization increases with seniority instead. Seniority and tenure are two highly interconnected concepts that thus should be compared, reviewed, and investigated further in connection to purpose internalization.

Lastly, and most significantly, this study establishes corporate purpose implementation as a dynamic rather than a static theoretical concept. Thus, temporal dynamics should be adopted as one of the core assumptions when investigating the topic purpose implementation going forward. Moreover, by substituting contextual growth factors with other organizational contexts, the proposed theoretical framework can also be utilized to understand other underlying effects and thus explore the dynamics of purpose implementation in a broader range of settings.

6.4. Practical and Managerial Implications

Closely connected to the theoretical contributions of establishing purpose implementation as a dynamic concept, this has important practical implications for all scaling firms regardless of maturity level. Consequently, firms need to measure the combined strength of the three purpose dimensions continuously to ensure that they remain purpose-driven over time. In practice, this measurement can be completed using the study's interview guide (Appendix 3) as a base for regularly setting up company-wide questionnaires to measure the different purpose dimensions and potential changes that occur in terms of purpose breadth and depth over time.

Moreover, findings highlight the importance for firms to assess their purpose implementation and track potential changes over time using the proposed theoretical framework. By assessing each purpose dimension individually, organizations can gain important insights into prioritizing their efforts to improve each dimension and the cross-dimensional balance. Further, the empirical results shed light on specific learnings for organizations, which should be especially conscious about decreasing purpose internalization and contribution levels when scaling. In similar cases, these two dimensions should be prioritized over further efforts on purpose knowledge to balance the three dimensions and improve overall purpose implementation (Lleo et al., 2021). For example, empirics suggest that a lack of purpose internalization could be mediated by increasing the emphasis on purpose alignment in recruitment and broadening the visionary leadership across hierarchical levels through management training or similar initiatives. A lack of purpose contribution should focus on updating company targets to incorporate the different purpose elements better. In contrast, an

organization characterized by an increasingly narrow purpose knowledge should engage in more frequent and broad communication on the purpose elements to educate employees.

Managerial implications are strongly related to the interconnectedness of the purpose dimensions. Managers, especially middle-level managers, need to consider their roles as key in the overall purpose implementation at any organization. This study has revealed that managers' purpose internalization levels directly impact subordinates' sense of purpose contribution. There is an urgent need for managers to reach higher levels of purpose internalization for subordinates to feel a strong sense of contribution and, as an extension, for the company to have a strong implementation of purpose across the organization over time.

6.5. Limitations of the Study

The authors have identified several limitations to the design of this study. First, a single case study limits any cross-organizational comparisons which could provide key perspectives. Second, this thesis aims to capture a temporal perspective of purpose implementation through employees' sensemaking. However, people's reflections on the past may not always reflect their perceived realities going back in time, which could be more accurately captured in a longitudinal study. Third, the interviewee subjects were selected with regard to several criteria to capture more diverse perspectives (i.e., tenure, seniority, department, and office). Still, 21 select individuals do not mirror the views of the whole organization. Fourth, the study takes a completely internal perspective, thereby limiting the study from any influence external stakeholders might have had on the development or interpretation of the corporate purpose.

Furthermore, the literature review covered in this study should be seen as an initial attempt to investigate the most crucial interconnections associated with this emerging research gap bridging the fields of corporate purpose implementation and entrepreneurship and organizational growth. Hence, this research gap should be explored further to cover these perspectives more extensively, and complement suggested theories with additional perspectives that could add further value to the analysis.

Moreover, while this study maps NorthStar's purpose definition and its three elements, it does not attempt to analyze the underlying motives or forces influencing the final purpose

definition. Furthermore, while this study does not attempt to map the influence NorthStar's purpose definition, or framing of purpose, may have had on the implementation process, three indicative insights connected to NorthStar's broad, constant, and socially relevant definition of purpose. Empirics indicate that the broad definition of purpose, encompassing several purpose elements, has inhibited purpose depth across all dimensions whereas the constant definition of purpose has facilitated depth and breadth of purpose knowledge. Lastly, a growing societal interest in NorthStar's specific purpose elements has been noted in both empirics and literature (Latapí Agudelo, Jóhannsdóttir & Davídsdóttir, 2019), which has been noted to influence the implementation of purpose positively.

Finally, the three growth factors (i.e., increased communication, more diverse recruitment, and increased hierarchies) aim to reflect the most important dynamics between organizational growth and employee perception of purpose implementation over time. However, they should neither be viewed as a general nor exhaustive list of contextual factors related to organizational growth, but are specific to this particular empirical case study and should be investigated in casu in future studies on the topic.

6.6. Future Research

This exploratory study provides several new research opportunities that should be investigated further. First, future research should further investigate the relationship between the identified contextual growth factors and purpose implementation dimensions on both a company and industry level. The authors, therefore, request further studies of qualitative and quantitative characters to improve the overall understanding of this topic and explore potential causal relationships.

Second, the authors hope this study will stimulate more researchers to explore the dynamics of purpose implementation from a temporal perspective, as this perspective of purpose implementation is only at its very dawn. Building upon this key insight, future research should expand the insights on purpose implementation as a dynamic concept situated in a broader set of contexts and effects – beyond organizational growth. Scholars should investigate the three purpose dimensions and their interconnectedness while incorporating a breadth and depth analysis. Even though they all relate to purpose implementation -should they be seen as separate constructs, or how are they interrelated? Why and how does purpose

implementation suffer from a lack of balance between the purpose dimensions in an organization? What happens if the dimensions could not be balanced, and how does this affect an organization over time? Could the relative importance of the three purpose dimensions differ between companies, or the definition of purpose, in question?

Third, future research should further investigate one of the main insights contrasting previous findings in this field, namely that purpose internalization is positively associated with tenure rather than seniority, as previously suggested by Gartenberg, Prat & Serafeim (2019). Future research on the topic should thus dig deeper into this phenomenon with the following questions in mind: How strong is the association between purpose internalization and organizational tenure, and how does this relate to measures of seniority? What aspects of tenure is the decisive factor in this relationship – is it related to the characteristics and motivations of those joining a company at a certain maturity, the degree of involvement in deciding the structures, or the total time spent with the company? Or any other potential factors? Multiple case studies could add further understanding of how purpose relates to talent retention and attraction with regard to different stages of organizational maturity. This could enable broader mapping of perceived levels of purpose implementation and their association with tenure, as well as seniority, departments, offices, countries, and more. Furthermore, future scholars should look into how organizational growth influences purpose implementation at other stages of maturity beyond the startup scaling context.

Lastly, this study has solely focused on contextual growth factors, however, several other contextual factors have been identified along the way. For example, empirics indicate that an increased societal interest in the purpose elements strengthened several purpose dimensions. Moreover, the entrepreneurial character of NorthStar's disruption element resembles objectives in the strategic entrepreneurship field (Rauch et al., 2009), which may have important implications for the relationship between the purpose definition and firm scaling. These empirical findings open up several interesting research angles relating to the purpose definition's role in the purpose implementation process and possible synergies. For example, how does the societal relevance of the purpose elements, and related macroeconomic factors, such as societal trends, contribute to the purpose implementation at an organization?

7. Reference List

- Abebe, M.A., Li, P., Acharya, K. & Daspit, J.J. 2020, *The founder chief executive officer: A review of current insights and directions for future research*, Corporate Governance: An International Review, vol. 28, no. 6, pp. 406-436.
- Abebe, M. & Alvarado, D. 2013, *Founder-CEO status and firm performance: an exploratory study of alternative perspectives*, Journal of Strategy and Management, vol. 6, no. 4, pp. 343-357.
- Atkinson, P., Coffey, A. & Delamont, S. 2003, *Key Themes in Qualitative Research: Continuities and Change*, Altamira Press, Oxford, UK.
- Barnard, A., McCosker, H. & Gerber, R. 1999, *Phenomenography: A qualitative research approach for exploring understanding in health care*, Qualitative health research, vol. 9, no. 2, pp. 212-226.
- Barnard, C.I. 1938, *The Functions of the Executive*, Harvard University Press, Cambridge, MA.
- Bartlett, C.A. & Ghoshal, S. 1994, *Changing the role of top management: beyond strategy to purpose*, Harvard business review, vol. 72, no. 6, pp. 79-88.
- Basu, S. 2017, *Corporate purpose: Why it matters more than strategy* in Corporate Purpose: Why It Matters More Than Strategy, pp. 1-317.
- Beckman, C.M. & Burton, M.D. 2008, *Founding the future: Path dependence in the evolution of top management teams from Founding to IPO*, Organization Science, vol. 19, no. 1, pp. 3-24.
- Bell, E., Bryman, A. & Harley, B. 2018, *Business Research Methods*, 5th edn, Oxford University Press.
- Boeker, W. & Wiltbank, R. 2005, *New venture evolution and managerial capabilities*, Organization Science, vol. 16, no. 2, pp. 123-133.
- Cady, S.H., Wheeler, J.V., DeWolf, J. & Brodke, M. 2011, *Mission, Vision, and Values: What Do They Say?*, Organization development journal, vol. 29, no. 1, pp. 63.

- Cardon, M.S. & Stevens, C.E. 2004, *Managing human resources in small organizations: What do we know?*, Human Resource Management Review, vol. 14, no. 3, pp. 295-323.
- Chouinard, Y. 2022, *Earth is now our only shareholder*. Available: <https://www.patagonia.com/ownership/> [2022, Sep 19].
- Collins, J.C. & Porras, J.I. 2008, *CMR Classics: Organizational Vision and Visionary Organizations*, California management review, vol. 50, no. 2, pp. 117-137.
- Crane, A., Palazzo, G., Spence, L.J. & Matten, D. 2014, *Contesting the value of "creating shared value"*, California management review, vol. 56, no. 2, pp. 130-153.
- Edmondson, A.C. & Mcmanus, S.E. 2007, *Methodological fit in management field research*, Academy of Management Review, vol. 32, no. 4, pp. 1155-1179.
- Ernst & Young, Oxford University Saïd Business School 2016, *The State of the Debate on Purpose in Business*, EY Beacon Institute, Manchester, UK.
- Freeman, R.E. 2015, *Strategic management: A stakeholder approach*, in Strategic Management: A Stakeholder Approach, pp. 1-276.
- Friedman, M. 1970, *The Social Responsibility of Business Is to Increase Its Profits*, 33rd edn, New York Times Magazine.
- Gartenberg, C., Prat, A. & Serafeim, G. 2019, *Corporate purpose and financial performance*, Organization Science, vol. 30, no. 1, pp. 1-18.
- Gast, J., Gundolf, K. & Cesinger, B. 2017, *Doing business in a green way: A systematic review of the ecological sustainability entrepreneurship literature and future research directions*, Journal of Cleaner Production, vol. 147, pp. 44-56.
- Gelles, D. & Yaffe-Bellany, D. 2019, *Shareholder Value Is No Longer Everything, Top C.E.O.s Say*, The New York Times. Available: <https://www.nytimes.com/2019/08/19/business/business-roundtable-ceos-corporations.html> [2022, Sep 22].
- George, G., Haas, M.R., McGahan, A.M., Schillebeeckx, S.J.D. & Tracey, P. 2021, *Purpose in the For-Profit Firm: A Review and Framework for Management Research*, Journal of Management, <https://doi.org/10.1177/01492063211006450>.

- Gioia, D.A., Corley, K.G. & Hamilton, A.L. 2013, *Seeking Qualitative Rigor in Inductive Research: Notes on the Gioia Methodology*, *Organizational Research Methods*, vol. 16, no. 1, pp. 15-31.
- Guba, E. & Lincoln, Y. 1994, *Competing Paradigms in Qualitative Research in Handbook of Qualitative Research*, Thousand Oaks, CA: Sage, pp. 105-116.
- Gupta, V., MacMillan, I.C. & Surie, G. 2004, *Entrepreneurial leadership: Developing and measuring a cross-cultural construct*, *Journal of Business Venturing*, vol. 19, no. 2, pp. 241-260.
- Henderson, R. & Van Den Steen, E. 2015, *Why do firms have purpose? The firm's role as a carrier of identity and reputation*, *American Economic Review*, vol. 105, no. 5, pp. 326-330.
- Hitt, M.A., Ireland, R.D., Sirmon, D.G. & Trahms, C.A. 2011, *Strategic Entrepreneurship: Creating Value for Individuals, Organizations, and Society*, *Academy of Management perspectives*, vol. 25, no. 2, pp. 57-75.
- Hmieleski, K.M. & Baron, R.A. 2008, *When does entrepreneurial self-efficacy enhance versus reduce firm performance?*, *Strategic entrepreneurship journal*, vol. 2, no. 1, pp. 57-72.
- Hollensbe, E., Wookey, C., Hickey, L. & George, G. 2014, *Organizations with purpose*, *Academy of Management Journal*, vol. 57, no. 5, pp. 1227-1234.
- Horst, P. 2018, *BlackRock CEO Tells Companies To Contribute To Society. Here's Where To Start*. Available:
<https://www.forbes.com/sites/peterhorst/2018/01/16/blackrock-ceo-tells-companies-to-contribute-to-society-heres-where-to-start/> [2022, Oct 3].
- Jensen, M.C. 2002, *Value maximization, stakeholder theory, and the corporate objective function*, *Business Ethics Quarterly*, vol. 12, no. 2, pp. 235-256.
- Kaehr Serra, C. & Thiel, J. 2019, *Professionalizing entrepreneurial firms: Managing the challenges and outcomes of founder-CEO succession*, *Strategic Entrepreneurship Journal*, vol. 13, no. 3, pp. 379-409.

- Kearney, E., Shemla, M., van Knippenberg, D. & Scholz, F.A. 2019, *A paradox perspective on the interactive effects of visionary and empowering leadership*, Organizational behavior and human decision processes, vol. 155, pp. 20-30.
- Khandwalla, P.N. 1977, *The Chemistry of Effective Management*, Vikalpa, vol. 2, no. 2, pp. 151-164.
- Kor, Y.Y., Mahoney, J.T., Siemsen, E. & Tan, D. 2016, *Penrose's The Theory of the Growth of the Firm: An Exemplar of Engaged Scholarship*, Production and Operations Management, vol. 25, no. 10, pp. 1727-1744.
- Latapí Agudelo, M.A., Jóhannsdóttir, L. & Davídsdóttir, B. 2019, *A literature review of the history and evolution of corporate social responsibility*, International journal of corporate social responsibility, vol. 4, no. 1, pp. 1-23.
- Lee, M.-P. 2008, *A review of the theories of corporate social responsibility: Its evolutionary path and the road ahead*, International Journal of Management Reviews, vol. 10, no. 1, pp. 53-73.
- Lincoln, Y.S. & Guba, E.G. 1985, *Naturalistic inquiry*, Sage, Beverly Hills, Calif.
- Lleo, A., Bastons, M., Rey, C. & Ruiz-Perez, F. 2021, *Purpose implementation: Conceptualization and measurement*, Sustainability (Switzerland), vol. 13, no. 4, pp. 1-19.
- Makri, C. & Neely, A. 2021, *Grounded Theory: A Guide for Exploratory Studies in Management Research*, International Journal of Qualitative Methods, vol. 20.
- Markman, G.D., Russo, M., Lumpkin, G.T., Jennings, P.D. & Mair, J. 2016, *Entrepreneurship as a Platform for Pursuing Multiple Goals: A Special Issue on Sustainability, Ethics, and Entrepreneurship*, Journal of Management Studies, vol. 53, no. 5, pp. 673-694.
- Mathias, B.D., Mckenny, A.F. & Crook, T.R. 2018, *Managing the tensions between exploration and exploitation: The role of time*, Strategic Entrepreneurship Journal, vol. 12, no. 3, pp. 316-334.
- Miller, D. 1983, *The Correlates of Entrepreneurship in Three Types of Firms*, Management Science, vol. 29, no. 7, pp. 770-791.

- Mintzberg, H. 1973, *Strategy-Making in Three Modes*, California management review, vol. 16, no. 2, pp. 44-53.
- Nehls, K., Smith, B.D. & Schneider, H.A. 2014, *Video-conferencing interviews in qualitative research* in Enhancing Qualitative and Mixed Methods Research with Technology, pp. 140-157.
- Ouimet, P. & Zarutskie, R. 2014, *Who works for startups? The relation between firm age, employee age, and growth*, Journal of Financial Economics, vol. 112, no. 3, pp. 386-407.
- Penrose, E. 2009, *The Theory of the Growth of the Firm*, 4th edn, Oxford University Press.
- Peshawaria, R. 2021, *The Purpose Driven Organization: Five Things Purpose Pundits May Be Getting Wrong*. Available:
<https://www.forbes.com/sites/rajeevpeshawaria/2021/11/02/the-purpose-driven-organization-five-things-purpose-pundits-are-getting-wrong/> [2022, Sep 14].
- Podsakoff, P.M., MacKenzie, S.B., Lee, J. & Podsakoff, N.P. 2003, *Common Method Biases in Behavioral Research: A Critical Review of the Literature and Recommended Remedies*, Journal of Applied Psychology, vol. 88, no. 5, pp. 879-903.
- Porter, M., E. & Kramer, M., R. 2011, *Creating Shared Value*, January-February edn, Harvard Business Review.
- Pruzan, P. 2001, *Corporate Reputation: Image and Identity*, Corporate Reputation Review, vol. 4, no. 1, pp. 50-64.
- Rauch, A., Wiklund, J., Lumpkin, G.T. & Frese, M. 2009, "Entrepreneurial Orientation and Business Performance: An Assessment of past Research and Suggestions for the Future", *Entrepreneurship Theory and Practice*, vol 33 no. 3, pp. 761–787.
- Reichertz, J. 2009, *Abduction: The Logic of Discovery of Grounded Theory*, Forum, qualitative social research, vol. 11, no. 1.
- Rey, C., Bastons, M. & Sotok, P. 2019, *Purpose-driven organizations: Management Ideas for a Better World*, 1st edn, Springer International Publishing.

- Reyes, J.R. & Kleiner, B.H. 1990, *How to Establish an Organisational Purpose*, Management Decision, vol. 28, no. 7, pp. 51-54.
- Rode, V. & Vallaster, C. 2005, *Corporate Branding for Start-ups: The Crucial Role of Entrepreneurs*, Corporate Reputation Review, vol. 8, no. 2, pp. 121-135.
- Serafeim, G. 2022, *Purpose + Profit -How Business Can Lift Up the World*, 1st edn, HarperCollins Leadership.
- Sine, W.D., Mitsuhashi, H. & Kirsch, D.A. 2006, *Revisiting burns and stalker: Formal structure and new venture performance in emerging economic sectors*, Academy of Management Journal, vol. 49, no. 1, pp. 121-132.
- Singleton, L.G. 2014, *Understanding the evolution of theoretical constructs in organization studies: Examining "purpose"*, 74th Annual Meeting of the Academy of Management, AOM 2014, pp. 1132.
- Sommer, S.C., Loch, C.H. & Dong, J. 2009, *Managing complexity and unforeseeable uncertainty in startup companies: An empirical study*, Organization Science, vol. 20, no. 1, pp. 118-133.
- Steenberg, J. & Sharma, R. 2020, *The new normal will require a new strategic approach to the circular economy*, Logistics Management (2002), vol. 59, no. 10, pp. 18-20.
- Thakor, A.V. & Quinn, R.E. 2013, *The economics of higher purpose*, ECGI -Finance Working Paper No. 395/2013.
- van Ingen, R., Peters, P., De Ruiters, M. & Robben, H. 2021, "Exploring the Meaning of Organizational Purpose at a New Dawn: The Development of a Conceptual Model Through Expert Interviews", *Frontiers in Psychology*, <https://doi.org/10.3389/fpsyg.2021.675543>.
- van Tuin, L., Schaufeli, W.B., Van den Broeck, A. & van Rhenen, W. 2020, *A Corporate Purpose as an Antecedent to Employee Motivation and Work Engagement*, Frontiers in Psychology, vol. 11.
- von Ahnen, A. & Gauch, K. 2022, *Opportunities and Challenges of Purpose-Led Companies: An Empirical Study Through Expert Interviews*, Corporate Reputation Review, vol. 25, no. 3, pp. 198-211.

- Wooldridge, B., Schmid, T. & Floyd, S.W. 2008, *The middle management perspective on strategy process: Contributions, synthesis, and future research*, Journal of Management, vol. 34, no. 6, pp. 1190-1221.
- Yin, R. 2003, *Case Study Research -Design and Methods*, 3rd edn, Sage Publications, Inc.
- Zaech, S. & Baldegger, U. 2017, *Leadership in start-ups*, International Small Business Journal: Researching Entrepreneurship, vol. 35, no. 2, pp. 157-177.
- Zu, L. 2019, *Purpose-driven leadership for sustainable business: From the Perspective of Taoism*, International journal of corporate social responsibility, vol. 4, no. 1, pp. 1-31.

8. Appendices

8.1. Appendix 1: Goal and Duty-Based Perspectives of Purpose

Goal or Duty-based	Themes/ Characteristics	Definitions of Organizational/Corporate Purpose	References
Goal-based	Objective, direction, unifying principle,	“The objective of cooperation, that enables decision-making by giving meaning to the circumstances, and provides a vision of future possibility that serves as a unifying principle and has a role in coordinating individual efforts within the overall organizational system”	Barnard (1938) p.86
Goal-based	Motivational, direction, unifying principle	“Organizational purpose is the motivating force moving, guiding, and delivering the organization to a perceived goal. It is the driving force, the fuel, the bond, the intangible link that pulls the organization together to achieve success”	Reyes, Kleiner (1990) p.51
Goal-based	Reason for being	“The ultimate priority of the organization, its reason for existence, its raison d’etre”	Basu (2017) p.8
Duty-based	Direction	“Purpose, the second part of guiding philosophy, is an outgrowth of the organization's core values and belief”	Collins, Porras (2008) p.123
Duty-based	Social benefit, unifying principle	“Something that is perceived as producing a social benefit over and above the tangible pecuniary payoff that is shared by the principal and the agent”	Thakor, Quinn (2013) p.2
Goal-based	Reason for being, direction	“The reason for which business is created or exists, its meaning and direction”	Hollensbe et al., (2014) p.1228
Goal-based	Direction	“A concrete goal or objective for the firm that reaches beyond profit maximization.”	Henderson, Van den Steen (2015) p.327
Goal-based & duty-based	Reason for being, motivational, direction	“Purpose in the for-profit firm captures the essence of an organization’s existence by explaining what value it seeks to create for its stakeholders. In doing so, purpose provides a clear definition of the firm’s intent, creates the ability for stakeholders to identify with, and be inspired by, the firm’s mission, vision, and values, and establishes actionable pathways and an aspirational outcome for the firm’s actions.”	George et al., (2021) p.7

8.2. Appendix 2: Preparatory Interview Guide

Introductory questions

- How long have you been with NorthStar, and in what roles and departments?

Questions relating to Corporate Purpose

- Why did you choose to work at this organization?
- What motivates you on a day-to-day basis?
- What are your personal career goals?
- Why do you believe NorthStar was founded?
- In your own words, what is the overall purpose of NorthStar?
- How do you on a daily basis contribute to NorthStar's vision and mission as well as overall purpose?
- Do you have any examples of when you accomplished something at work that really helped NorthStar take a step closer to realizing its purpose?
- How could NorthStar's vision and mission be made even more concrete in your daily work?

Questions relating to Growth

- What do you see as the most prominent changes in the company when scaling?
- What do you think have been the largest challenges with growth?
 - How do you ensure that recruitment is aligned when growing?
 - How do you ensure that leadership is aligned when growing?
 - How do you ensure that people at all levels and across departments are involved?

Final Questions

- If we really want to understand NorthStar better -is there anything else you would like to emphasize? What do you think we should have asked but did not?
- Do you have any questions for us?

8.3. Appendix 3: Interview Guide, Main Study

Introductory questions

- How long have you been with NorthStar, and in what roles and departments?

Questions relating to Corporate Purpose Implementation

Purpose Knowledge

- Why do you believe NorthStar was founded?
- How has the corporate purpose changed over time?

Purpose Internalization

- Perception of purpose internalization on the individual level
 - Why did you join NorthStar?
 - Why have you chosen to stay at NorthStar?
 - How are you motivated at work?
 - How do vision, mission, and other soft values motivate and excite you?
 - How has your view on motivation's connection to soft values changed during your time at NorthStar?
- Perception of others' purpose internalization
 - How do you believe the founders embody the purpose?
 - How do you believe top management/your manager embodies the purpose?
 - How do you believe other people at the organization embody the purpose?
 - How do you believe motivations for joining and staying at NorthStar have changed over time?

Purpose Contribution

- How do you, on a daily basis, contribute to the company's overall purpose?
- Do you have an example of when you accomplished something at work that helped NorthStar take a step closer to realizing its purpose?
- How has your sense of contribution changed over time?
- How could NorthStar's vision and mission be even more concrete in your daily work?

Questions relating to Growth

- What do you see as the most prominent changes in the company when scaling?
- What do you think have been the largest challenges with growth?
 - How do you ensure that recruitment is aligned when growing?
 - How do you ensure that leadership is aligned when growing?
 - How do you ensure that people at all levels and across departments are involved?

Final Questions

- If we really want to understand NorthStar better -is there anything else you would like to emphasize? What do you think we should have asked but did not?
- Do you have any questions for us?

Post-interview questions (for interviewers)

- How did the interview go?
- Where did the interview take place?
- Feelings about the interview? (open new avenues of interest?)
- Setting (busy/quiet, many/few people, use of computers, etc.)

8.4. Appendix 4: Overview of Preparatory Interview Subjects

Interview Subject	Department	Seniority	Office	Interview format	Duration	Date
A	Delta	Mid	HQ	In-person	60 minutes	Sep 2022
B	Eta	Mid	HQ	In-person	60 minutes	Sep 2022
C	Delta	Mid	Not HQ	In-person	60 minutes	Sep 2022

8.5. Appendix 5: Overview of Interview Subjects, Main Study

Interview subject	Start date: Startup or Startup scaling	Department	Seniority	Office	Interview format	Duration	Date
E1	Startup	Alpha	Mid	Not HQ	Online	43 minutes	Oct 2022
E2	Startup	Delta	Mid	HQ	In-person	32 minutes	Sep 2022
E3	Startup	Beta	Mid	Not HQ	Online	27 minutes	Oct 2022
E4	Startup	Alpha	Mid	Not HQ	Online	40 minutes	Oct 2022
E5	Startup	Alpha	Mid	Not HQ	Online	29 minutes	Oct 2022
E6	Startup	Delta	Top	HQ	Online	38 minutes	Oct 2022
E7	Startup	Delta	Mid	HQ	In-person	48 minutes	Sep 2022
E8	Startup	Beta	Mid	HQ	Online	40 minutes	Oct 2022
E9	Startup	Gamma	Entry	HQ	Online	26 minutes	Sep 2022
E10	Startup	Delta	Top	HQ	In-person	46 minutes	Sep 2022
E11	Startup	Beta	Mid	HQ	In-person	39 minutes	Sep 2022
E12	Startup	Gamma	Entry	HQ	Online	40 minutes	Sep 2022
E13	Startup	Gamma	Top	HQ	In-person	34 minutes	Oct 2022
L1	Startup scaling	Zeta	Mid	HQ	In-person	42 minutes	Sep 2022
L2	Startup scaling	Epsilon	Entry	HQ	In-person	42 minutes	Sep 2022
L3	Startup scaling	Zeta	Entry	HQ	In-person	48 minutes	Sep 2022
L4	Startup scaling	Alpha	Entry	HQ	In-person	49 minutes	Sep 2022
L5	Startup scaling	Delta	Mid	Not HQ	Online	57 minutes	Oct 2022
L6	Startup scaling	Epsilon	Mid	HQ	Online	37 minutes	Oct 2022
L7	Startup scaling	Gamma	Entry	HQ	In-person	36 minutes	Sep 2022
L8	Startup scaling	Delta	Mid	HQ	In-person	32 minutes	Sep 2022

8.6. Appendix 6: Overview of Empirics

	Exemplary Quotes	Deployed By
Purpose Knowledge		
Can explain the purpose in their own words (min. one element)	<i>“We are disrupting the industry to become more sustainable with the help of new technologies.” -E7</i>	21/21 Interviewees: E1, E2, E3, E4, E5, E6, E7, E8, E9, E10, E11, E12, E13, L1, L2, L3, L4, L5, L6, L7, L8
Purpose definition remained stable over time	<i>“We have a vision that is very strong and a clear picture of what we want to accomplish. How we should do it is another thing – but I am confident that the why has been constant over time.” -E7</i>	11 Interviewees: E4, E5, E7, E8, E9, E10, E11, E12, E13, L2, L8 Documents
Mentions disruption as one of NorthStar’s purpose elements	<i>“NorthStar exists to reduce, and hopefully eliminate, CO2 emissions in the sector by rethinking industry standards. But also to make the industry use new technology” -L7</i>	20/21 Interviewees: E1, E2, E3, E4, E5, E6, E7, E8, E9, E10, E11, E12, E13, L1, L2, L4, L5, L6, L7, L8
Mentions sustainability as one of NorthStar’s purpose elements	<i>“The basic platform is sustainability and making the world and the planet a little better.” -E6</i>	20/21 Interviewees: E1, E2, E3, E4, E5, E6, E7, E8, E9, E10, E11, E12, E13, L1, L2, L3, L5, L6, L7, L8
Mentions tech as one of NorthStar’s purpose elements	<i>“Then there is the technological factor. Working with completely new technology, something that really is new tech and disruptive.” -L1</i>	18/21 Interviewees: E1, E2, E4, E5, E6, E7, E8, E10, E11, E12, E13, L1, L3, L4, L5, L6, L7, L8
Communication has increased with growth	<i>“It is only during the last year that we have started to talk more concretely about soft values [in internal channels, conferences, and founder speeches]” -E7</i>	7 Interviewees: E4, E6, E7, E9, L3, L4, L8 Documents, Observations
Purpose Internalization		
Agrees & identifies with the purpose (min. one element)	<i>“I believe most people are here for at least one of three reasons: the sustainability agenda, tech or the entrepreneurial journey” -L1</i>	21/21 Interviewees: E1, E2, E3, E4, E5, E6, E7, E8, E9, E10, E11, E12, E13, L1, L2, L3, L4, L5, L6, L7, L8
Agrees & identifies with all three purpose elements	<i>“For me [on why joined NorthStar], I believed in the vision, and it made me more confident that this might actually work in the end” -E10</i>	5 Interviewees: E1, E5, E10, E11, L2
Agrees & identifies with the sustainability element	<i>“For me, it’s about working for a company that has the potential to do so much good and having a true positive impact on the environment.” -L2</i>	14 Interviewees: E1, E2, E3, E5, E6, E8, E9, E10, E11, E13, L2, L3, L6, L8

Agrees & identifies with the tech element	<i>“And then the tech industry and especially the greentech industry has so much potential.” -L2</i>	11 Interviewees: E1, E4, E5, E6, E10, E11, E12, L1, L2, L3, L4
Agrees & identifies with the disruption element	<i>“[most people at NorthStar] do not want to take the safe route. But this has become more difficult as we have grown” -L6</i>	12 Interviewees: E1, E3, E5, E7, E9, E10, E11, E12, L1, L2, L5, L7
Purpose was one main reason for joining NorthStar (min. one element)	<i>“I always put the mission first. My philosophy is to do good things and the money will follow” -E1</i>	15/21 Interviewees: E1, E2, E3, E4, E5, E6, E9, E10, E11, E12, E13, L1, L2, L3, L5
More diverse recruitment with growth	<i>“If you look at who was applying 2 years ago versus now when we are becoming more well known, we get more applications from people who would not be as good fit.” -L2</i>	15 Interviewees: E1, E2, E4, E6, E7, E8, E9, E10, E11, L2, L3, L4, L5, L6, L7 Documents
Purpose Contribution		
Does not reflect on the long-term purpose in day-to-day work (min. one element)	<i>“The vision feels too far away to guide my daily work. It doesn’t help with prioritizing what is most important for me at work.” -L1</i>	5 Interviewees: E4, L1, L3, L4, L7
Sometimes reflect on the long-term purpose in day-to-day work (min. one element)	<i>“people tend to become practical and refer back to market goals or similar, rather than see the full picture. Whereas I believe it gets increasingly important to return to the vision in such situations to pull one back to reality and why we all are here.” -E10</i>	8 Interviewees: E3, E6, E7, E8, E10, E12, E13, L6
Frequently reflects on the long-term purpose in day-to-day work (min. one element)	<i>“I think sitting in the [“beta” department] side of the business, you think about the vision and mission quite a lot.” -E11</i>	4 Interviewees: E1, E9, E11, L2
Hierarchies have increased with growth	<i>“Before I could just send contracts directly to the customer for signing. Now we have a process internally where it has to be approved by four different stakeholders before we can send it out.” -E9</i>	10 Interviewees: E3, E4, E6, E7, E9, E11, L1, L3, L6, L7 Documents